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LEGISLATIVE HISTORY

Public Law 122---80th Congress

Chapter 156---1st Session

H. R. 3791

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DIGEST OF PUBLIC LAW 122

SECOND URGENT DEFICIENCY APPROPRIATION BILL, 1947, includes the following items: Foot-and-mouth-disease campaign, \$1,500,000 additional, fiscal year 1947. Authorizes construction, from 1947 funds, of 4 buildings at the New Iberia Livestock Experiment Station, La., to replace buildings destroyed by storm. Provides that the limitation in the 1947 Agricultural Appropriation Act on the amount to be used for construction of a building for investigations of pneumoencephalitis in poultry be increased from \$30,000 to \$55,000. Ratifies and confirms all obligations incurred between June 30, 1947, and the date of enactment of the applicable appropriation acts as may not be enacted by July 1, 1947, in anticipation of such appropriations and authority if in accordance with the terms thereof. Provides that, where employees are separated through reduction in force during July 1947 and were given separation notices during the fiscal year 1947, the lump-sum terminal-leave payments may be charged against unobligated 1947 appropriations from which such employees were paid. Emergency flood-control work by the War Department, \$12,000,000.

INDEX AND SUMMARY OF HISTORY ON H. R. 3791

February 10, 1947	Documents: The estimates upon which the bill is based are contained in House Documents Nos. 108, 218, 225, 226, 227, 243, 250, 253, 277, 279, 286, 291, 293, 296, 297, 298, 302, 305, 308.
May 29, 1947	Hearings: House, H. R. 3791.
June 11, 1947	House Committee on Appropriations reported H. R. 3791. House Report 557. Print of the bill as reported. Also committee prints of the bill and report.
June 12, 1947	H. R. 3791 debated in the House and passed with amendments.
June 13, 1947	H. R. 3791 was referred to the Senate Committee on Appropriations. Print of the bill as referred.
June 19, 1947	Hearings: Senate, H. R. 3791.
June 20, 1947	Senate Committee on Appropriations reported H. R. 2791 with amendments. Senate Report 319. Print of the bill as reported.
June 23, 1947	H. R. 3791 debated in the Senate and passed as reported.
June 24, 1947	House agreed to the Senate amendments on H. R. 2791.
June 27, 1947	Approved. Public Law 122.

DEFICIENCY AND SUPPLEMENTAL ESTIMATES OF
APPROPRIATION FOR THE DEPARTMENT OF JUSTICE

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

DEFICIENCY ESTIMATES OF APPROPRIATION FOR THE FISCAL
YEAR 1942 IN THE AMOUNT OF \$1,733.85 AND SUPPLEMENTAL
ESTIMATES OF APPROPRIATION FOR THE FISCAL YEAR 1947
IN THE AMOUNT OF \$1,064,500, FOR THE DEPARTMENT OF JUSTICE

FEBRUARY 10, 1947.—Referred to the Committee on Appropriations and ordered
to be printed

THE WHITE HOUSE,
Washington, February 6, 1947.

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to transmit herewith for the consideration of the Congress deficiency estimates of appropriation for the fiscal year 1942 in the amount of \$1,733.85 and supplemental estimates of appropriation for the fiscal year 1947 in the amount of \$1,064,500, for the Department of Justice.

The details of these estimates, the necessity therefor, and the reasons for their submission at this time are set forth in the letter of the Director of the Bureau of the Budget, transmitted herewith, in whose comments and observations thereon I concur.

Respectfully yours,

HARRY S. TRUMAN.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington 25, D. C., February 6, 1947.

The PRESIDENT,
The White House.

SIR: I have the honor to submit herewith for your consideration deficiency estimates of appropriation for the fiscal year 1942 in the amount of \$1,733.85 and supplemental estimates of appropriation for fiscal year 1947 in the amount of \$1,064,500, for the Department of Justice, as follows:

DEPARTMENT OF JUSTICE

LEGAL ACTIVITIES AND GENERAL ADMINISTRATION

Traveling expenses: For an additional amount, fiscal year 1942, for "Traveling expenses"-----	\$194. 81
Salaries and expenses, Lands Division: For an additional amount, fiscal year 1942, for "Salaries and expenses, Lands Division"-----	1,539,04

These estimates cover claims certified for settlement by the Comptroller General, chargeable to appropriations that are exhausted, which require deficiency appropriations for payment.

Claims Division: For an additional amount, fiscal year 1947, for the "Claims Division"-----	\$35, 000
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This amount is required to permit transfer to the Claims Division, as of March 1, 1947, of certain attorneys now employed by the War Shipping Administration to continue admiralty litigation for which the Division is responsible. Additional staff is also required for litigation of tort claims in accordance with the provision of the Federal Tort Claims Act, approved August 2, 1946, and for increasing work loads in contract settlement and other war-related legal actions.

Damage claims: For payment of claims, fiscal year 1947, pursuant to part 2 of the Federal Tort Claims Act of August 2, 1946 (Public Law 601)-	\$40, 000
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This is an estimate for a new appropriation, submitted in accordance with the act of August 2, 1946, Public Law 601.

Salaries and expenses, Antitrust Division: For an additional amount, fiscal year 1947, for "Salaries and expenses, Antitrust Division"-----	\$60, 500
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This amount is required for the employment of temporary personnel from April 1 through the remainder of the fiscal year, in connection with reparations of railroad freight charges paid by the Government during the war.

Salaries and expenses of district attorneys and so forth: For an additional amount, fiscal year 1947, for "Salaries and expenses of district attorneys and so forth"-----	\$108, 000
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This supplementary amount is required largely because of the necessity of maintaining the staffs of these offices to cope with a continuing heavy work load.

IMMIGRATION AND NATURALIZATION SERVICE

Salaries and expenses, Immigration and Naturalization Service: For an additional amount, fiscal year 1947, for "Salaries and expenses, Immigration and Naturalization Service"-----	\$800, 000
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As a result of a decision of the United States Court of Claims, dated May 6, 1946, the foregoing amount will be required during the current

fiscal year for compensation for overtime services of immigrant inspectors and other employees of the Immigration and Naturalization Service.

FEDERAL PRISON SYSTEM

Medical and hospital service: For an additional amount, fiscal year 1947,
for "Medical and hospital service"----- \$21, 000

The additional funds are to provide for increases to reserve officers of the commissioned corps of the Public Health Service as authorized by Public Law 474, Seventy-ninth Congress.

The foregoing deficiency and supplemental estimates of appropriation are to meet contingencies which have arisen since the transmission of the budgets for the fiscal years involved, and I recommend that they be transmitted to the Congress.

Respectfully yours,

F. J. LAWTON,
Acting Director of the Bureau of the Budget.



SUPPLEMENTAL ESTIMATE OF APPROPRIATION FOR
THE LEGISLATIVE BRANCH, GOVERNMENT PRINTING
OFFICE

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

SUPPLEMENTAL ESTIMATE OF APPROPRIATION FOR THE FISCAL
YEAR 1947 IN THE AMOUNT OF \$1,175,000 FOR THE LEGISLATIVE
BRANCH, GOVERNMENT PRINTING OFFICE

APRIL 24, 1947.—Referred to the Committee on Appropriations and ordered to be
printed

THE WHITE HOUSE,
Washington, April 24, 1947.

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to transmit herewith for the consideration of Congress a supplemental estimate of appropriation for the fiscal year 1947 in the amount of \$1,175,000 for the legislative branch, Government Printing Office.

The details of this estimate are set forth in the accompanying letter of the Director of the Bureau of the Budget.

Respectfully yours,

HARRY S. TRUMAN;

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington 25, D. C., April 23, 1947.

THE PRESIDENT,
The White House.

SIR: I have the honor to submit herewith for your consideration a supplemental estimate of appropriation for the fiscal year 1947 in the amount of \$1,175,000 for the legislative branch, Government Printing Office, as follows:

LEGISLATIVE BRANCH

GOVERNMENT PRINTING OFFICE

WORKING CAPITAL AND CONGRESSIONAL PRINTING AND BINDING

For an additional amount for "Working capital and congressional printing and binding," fiscal year 1947, \$1,175,000: *Provided*, That the limitation upon the amount which may be expended for printing, binding, and distribution of the Federal Register is hereby increased from "\$500,000" to "\$525,000" and the limitation upon the amount which may be expended for printing and binding the supplements to the Code of Federal Regulations is hereby increased from "\$100,000" to "\$125,000"----- \$1, 175, 000

The letter of the Public Printer, dated April 17, 1947, submitting this estimate, is transmitted herewith.

This being an estimate for the legislative branch, I make no observation concerning its necessity.

Respectfully yours,

JAMES E. WEBB,
Director of the Bureau of Budget.

UNITED STATES GOVERNMENT PRINTING OFFICE,
Washington, D. C., April 17, 1947.

DIRECTOR, BUREAU OF THE BUDGET,
Washington, D. C.

DEAR SIR: I am submitting to the Bureau of the Budget for transmission to the Congress a deficiency appropriation estimate for the remainder of the fiscal year 1947, as follows:

GOVERNMENT PRINTING OFFICE

Working capital and Congressional printing and binding: For an additional amount for working capital and Congressional printing and binding, fiscal year 1947, including the objects specified under this heading in the Legislative Branch Appropriation Act, 1947, \$1,175,000: *Provided*, That the limitation upon the amount which may be expended for printing, binding, and distribution of the Federal Register is hereby increased from \$500,000 to \$525,000 and the limitation upon the amount which may be expended for printing and binding the supplements to the Code of Federal Regulations is hereby increased from \$100,000 to \$125,000----- \$1, 175, 000

Under the law the printing and binding for Congress, the printing, binding, and distribution of the Federal Register, and the printing and binding of supplements to the Code of Federal Regulations are charged to the appropriation for working capital and congressional printing and binding. The appropriation for these purposes for the fiscal year 1947 amounted to \$4,200,000. The estimates on which the appropriation was based did not include a number of items which could not be foreseen at the time the estimates were made. The Legislative Reorganization Act increased the cost of the Congressional Record by requiring the publication therein of a daily digest of congressional proceedings, the Federal Register and Code of Federal Regulations are increased by the publication of the organizational and procedural material required by the Administrative Procedure Act,

and there have been considerable increases in the cost of paper and other material and increases in salaries and wages of employees of the Government Printing Office. The requirements for the fiscal year 1947 are now estimated at \$5,375,000, which will result in a deficiency of \$1,175,000.

It will be appreciated if you will transmit this deficiency estimate to the Congress as soon as convenient.

Very truly yours,

A. E. GIEGENGACK,
Public Printer.

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SUPPLEMENTAL ESTIMATE OF APPROPRIATION FOR
THE OFFICE OF SUPERINTENDENT OF DOCUMENTS,
GOVERNMENT PRINTING OFFICE

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

SUPPLEMENTAL ESTIMATE OF APPROPRIATION FOR THE FISCAL
YEAR 1947 IN THE AMOUNT OF \$21,500 FOR THE LEGISLATIVE
BRANCH, OFFICE OF SUPERINTENDENT OF DOCUMENTS, GOV-
ERNMENT PRINTING OFFICE

APRIL 29, 1947.—Referred to the Committee on Appropriations and ordered to
be printed

THE WHITE HOUSE,
Washington, April 29, 1947.

The SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to transmit herewith for the consideration of Congress a supplemental estimate of appropriation for the fiscal year 1947 in the amount of \$21,500 for the legislative branch, Office of Superintendent of Documents, Government Printing Office.

The details of this estimate are set forth in the accompanying letter of the Director of the Bureau of the Budget.

Respectfully yours,

HARRY S. TRUMAN.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington 25, D. C., April 28, 1947.

The PRESIDENT,
The White House.

SIR: I have the honor to submit herewith for your consideration a supplemental estimate of appropriation for the fiscal year 1947 in the

2 SUPPLEMENTAL ESTIMATE—SUPERINTENDENT OF DOCUMENTS

amount of \$21,500 for the legislative branch, Office of Superintendent of Documents, Government Printing Office, as follows:

LEGISLATIVE BRANCH

GOVERNMENT PRINTING OFFICE

OFFICE OF SUPERINTENDENT OF DOCUMENTS

Salaries: For an additional amount, fiscal year 1947, for "Salaries"----- \$21, 500

The letter of the Public Printer, dated April 17, 1947, submitting this estimate is transmitted herewith.

This being an estimate for the legislative branch, I make no observations concerning its necessity.

Respectfully yours,

JAMES E. WEBB,
Director of the Bureau of the Budget.

UNITED STATES GOVERNMENT PRINTING OFFICE,
OFFICE OF THE PUBLIC PRINTER,
Washington 25, D. C., April 17, 1947.

The DIRECTOR, BUREAU OF THE BUDGET,
Washington 25, D. C.

SIR: I am submitting to the Bureau of the Budget, for transmission to the Congress, a supplemental estimate of appropriation for the Office of the Superintendent of Documents, Government Printing Office, for the remainder of the fiscal year 1947:

For an additional amount for salaries, Office of Superintendent of Documents, fiscal year 1947, including the objects and subject to the conditions specified under this heading in the Legislative Branch Appropriation Act, 1947----- \$21, 500

This appropriation is requested to cover a small part of the cost of 14 percent increase in salary resulting from the Federal Employees Pay Act of 1946. For some time it was believed that the Office of the Superintendent of Documents would be able to absorb the entire cost of these pay increases. However, the increased work load of the Office made the entire absorption impossible, and the sum of \$21,500 will be necessary to carry on the program through the fiscal year.

For the first 9 months of the fiscal year 1947 the number of cash mail orders received by the Superintendent of Documents for the purchase of Government publications has increased 44 percent over the corresponding period for the fiscal year 1946. As you know, the Office of Superintendent of Documents turns in each year to the Treasury Department a substantial sum as miscellaneous receipts. This year it is estimated that \$1,700,000 will be returned to the Treasury as miscellaneous receipts, which will exceed by \$30,000 the entire amount appropriated thus far for all operations of the Office of Superintendent of Documents. This means that the sales function will not only be self-sustaining but will more than pay the cost of the other non-revenue-producing functions, which are:

(a) The distribution of approximately 5½ million publications to 558 libraries which are designated by law as depositories for Government documents;

(b) The maintenance of mailing lists and the distribution of publications for other agencies of the Government;

(c) The issuance of official catalogs of Government documents which are required by law; and

(d) The distribution for Members of Congress of their quotas of such publications as farmers' bulletins, soil surveys, and the Congressional Record.

Of these nonrevenue functions the distribution of farmers' bulletins for Members of Congress has been unusually heavy, and this distribution must be handled with dispatch in order that the bulletins will reach their recipients during the spring months.

To keep current the filling of cash mail orders for Government documents and the distribution of farmers' bulletins for Members of Congress, it has been necessary to keep the force at a level which would make impossible the absorption of the entire cost of the salary increases resulting from the Federal Employees Pay Act of 1946.

Respectfully,

A. E. GIEGENGACK,
Public Printer.



SUPPLEMENTAL ESTIMATES OF APPROPRIATION FOR
THE TREASURY DEPARTMENT

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

SUPPLEMENTAL ESTIMATES OF APPROPRIATION FOR THE
TREASURY DEPARTMENT FOR THE FISCAL YEAR 1947, AMOUNT-
ING TO \$466,000

APRIL 29, 1947.—Referred to the Committee on Appropriations and ordered to be
printed

THE WHITE HOUSE,
Washington, April 29, 1947.

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to transmit herewith for the consideration of Congress supplemental estimates of appropriation for the Treasury Department for the fiscal year 1947, amounting to \$466,000.

The details of these estimates, the necessity therefor, and the reasons for their submission at this time are set forth in the letter of the Director of the Bureau of the Budget, transmitted herewith, in whose comments and observations thereon I concur.

Respectfully yours,

HARRY S. TRUMAN.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington 25, D. C., April 28, 1947.

THE PRESIDENT,
The White House.

SIR: I have the honor to submit herewith, for your consideration supplemental estimates of appropriation, for the fiscal year 1947 in the amount of \$466,000, for the Treasury Department, as follows:

TREASURY DEPARTMENT

OFFICE OF THE SECRETARY

Penalty mail costs: For an additional amount, fiscal year 1947, for
 "Penalty mail costs," Treasury Department----- \$450, 000

This supplemental estimate of appropriation is required primarily to meet the cost of increased mailings in the Division of Disbursement, and the Bureau of Internal Revenue, and to enable the Department to assume the mailing costs incurred by the Coast Guard subsequent to its transfer from the Navy Department. No provision was made, for these items in the 1947 budget, but the need for this estimate was indicated in the 1948 budget.

SECRET SERVICE DIVISION

Reimbursement to District of Columbia, benefit payments to White House Police and Secret Service forces: For an additional amount, fiscal year 1947, for "Reimbursement to District of Columbia, benefit payments to White House Police and Secret Service forces"----- \$16, 000

This additional amount will be necessary to reimburse the District of Columbia for benefit payments, in excess of receipts, to be made during the fiscal year 1947 to White House Police and Secret Service forces through the facilities of the District of Columbia policemen's and firemen's retirement fund pursuant to the provisions of Public Law 847, approved October 14, 1940. Subsequent to the presentation of the 1947 budget several retirements have occurred which are in excess of earlier estimates.

It is recommended that these estimates be transmitted to the Congress.

Respectfully yours,

JAMES E. WEBB,
Director of the Bureau of the Budget.

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DEFICIENCY AND SUPPLEMENTAL ESTIMATES OF AP-
PROPRIATIONS, FOR THE DEPARTMENT OF JUSTICE

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

DEFICIENCY ESTIMATES OF APPROPRIATION FOR THE FISCAL
YEAR 1946, AND PRIOR YEARS IN THE AMOUNT OF \$95,089.24,
AND SUPPLEMENTAL ESTIMATES OF APPROPRIATION, FOR THE
FISCAL YEAR 1947 IN THE AMOUNT OF \$259,500, FOR THE DE-
PARTMENT OF JUSTICE

APRIL 29, 1947.—Referred to the Committee on Appropriations, and ordered to
be printed

THE WHITE HOUSE,
Washington, April 29, 1947.

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to transmit herewith for the consideration
of the Congress deficiency estimates of appropriation for the fiscal
year 1946 and prior years in the amount of \$95,089.24, and supple-
mental estimates of appropriation for the fiscal year 1947 in the amount
of \$259,500, for the Department of Justice.

The details of these estimates, the necessity therefor, and the
reasons for their submission at this time are set forth in the letter of
the Director of the Bureau of the Budget, transmitted herewith, in
whose comments and observations thereon I concur.

Respectfully yours,

HARRY S. TRUMAN.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington 25, D. C., April 28, 1947.

The PRESIDENT,
The White House.

SIR: I have the honor to submit herewith for your consideration
deficiency estimates of appropriation for the fiscal year 1946 and prior

years in the amount of \$95,089.24, and supplemental estimates of appropriation for fiscal year 1947 in the amount of \$259,500, for the Department of Justice, as follows:

DEPARTMENT OF JUSTICE

LEGAL ACTIVITIES AND GENERAL ADMINISTRATION

Traveling expenses: For an additional amount, fiscal year 1942, for "Traveling expenses"-----	\$14. 04
Salaries and expenses, Lands Division: For an additional amount, fiscal year 1942, for "Salaries and expenses, Lands Division"-----	75. 20

These estimates cover claims certified for settlement by the Comptroller General, chargeable to appropriations that are exhausted, which require deficiency appropriations for payment.

Printing and binding: For an additional amount, fiscal year 1946, for "Printing and binding"-----	\$65, 000
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This additional amount is required to pay outstanding bills, principally for printed briefs and records incident to litigation, and for printed forms used in the administration of the immigration and naturalization laws. Because of the contingent nature of these requirements, the need for this additional amount was not anticipated.

Miscellaneous salaries and expenses, field: For an additional amount, fiscal year 1946, for "Miscellaneous salaries and expenses, field"-----	\$20, 000
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The foregoing amount is required because expenditures from this appropriation incident to litigation, particularly for an increased volume of transcripts, have exceeded the amount provided for in the original estimate.

Salaries and expenses of marshals, and so forth: For an additional amount, fiscal year 1946, for "Salaries and expenses of marshals, and so forth"-----	\$10, 000
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This additional amount is required largely for transportation bills. Funds are not available for these items because of unanticipated requirements for personal services.

Contingent expenses: For an additional amount, fiscal year 1947, for "Contingent expenses"-----	\$10, 000
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This supplemental amount is required for part of the rental cost of tabulating machines, mainly for accounting and statistical work, installed in the Administrative Division after the beginning of the current fiscal year. The need for this equipment was determined too late for the necessary sum to be included in the budget for the current year,

Printing and binding: For an additional amount, fiscal year 1947, for "Printing and binding"-----	\$80, 000
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These funds are required principally because of increased costs for printing and an unanticipated volume of briefs and records incident to litigation. Other unforeseen requirements include printing for the juvenile delinquency program undertaken by the Attorney General and revision of certain forms used by the Immigration and Naturalization Service in order to conform with recent legislation.

Miscellaneous salaries and expenses, field: For an additional amount, fiscal year 1947, for "Miscellaneous salaries and expenses, field"-----	\$29, 500
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This amount is required for expenditures incident to litigation, particularly for an increased volume of transcripts, which will exceed the amount provided for in the appropriation for the current year.

Salaries and expenses of marshals, and so forth: For an additional amount, fiscal year 1947, for "Salaries and expenses of marshals, and so forth" ----- \$140, 000

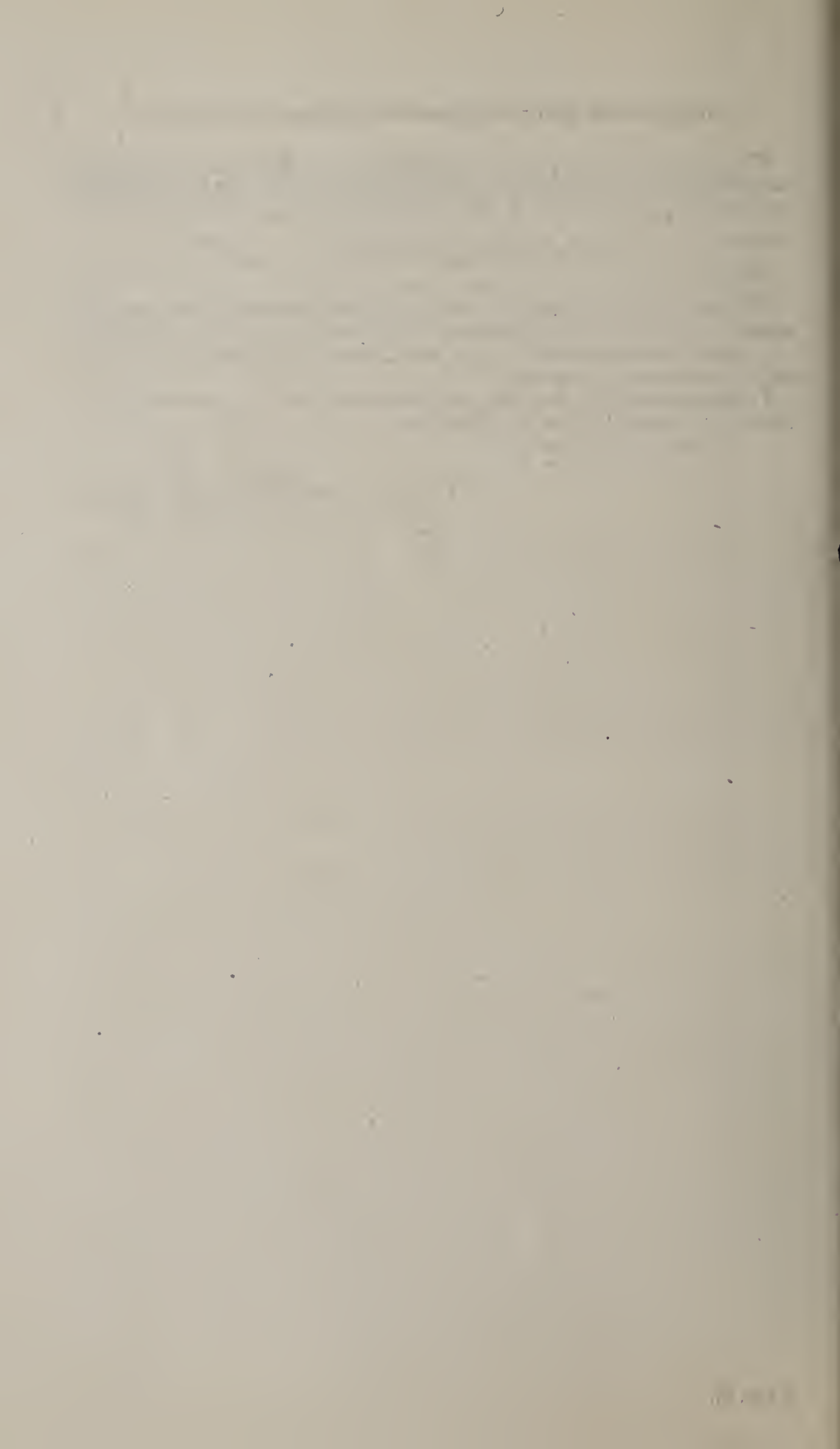
This amount is necessary to cover expenditures for personal services which are in excess of the amounts available because of increased use of guards at a higher rate of pay, and a delay in realizing savings on a reduction-in-force program.

I recommend that the foregoing deficiency and supplemental estimates be transmitted to the Congress.

Respectfully yours,

JAMES E. WEBB,
Director of the Bureau of the Budget.

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DEFICIENCY ESTIMATES OF APPROPRIATION FOR THE
POST OFFICE DEPARTMENT

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

DEFICIENCY ESTIMATES OF APPROPRIATION FOR THE FISCAL
YEAR 1946 AND PRIOR FISCAL YEARS IN THE AMOUNT OF
\$12,115,000, AND A SUPPLEMENTAL ESTIMATE OF APPROPRIA-
TION FOR THE FISCAL YEAR 1947 IN THE AMOUNT OF \$15,285,000,
FOR THE POST OFFICE DEPARTMENT

MAY 9, 1947.—Referred to the Committee on Appropriations and ordered to be
printed

THE WHITE HOUSE,
Washington, May 8, 1947.

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to transmit herewith for the consideration of Congress deficiency estimates of appropriation for the fiscal year 1946 and prior fiscal years in the amount of \$12,115,000, and a supplemental estimate of appropriation for the fiscal year 1947 in the amount of \$15,285,000, for the Post Office Department.

The details of these estimates, the necessity therefor, and the reasons for their submission at this time are set forth in the letter of the Director of the Bureau of the Budget, transmitted herewith, in whose comments and observations thereon I concur.

Respectfully yours,

HARRY S. TRUMAN.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington 25, D. C., May 7, 1947.

The PRESIDENT,
The White House.

SIR: I have the honor to submit herewith for your consideration deficiency estimates of appropriation for the fiscal year 1946 and prior years in the amount of \$12,115,000, and a supplemental estimate of appropriation for the fiscal year 1947 in the amount of \$15,285,000 for the Post Office Department, as follows:

POST OFFICE DEPARTMENT

(Out of the postal revenues)

FIELD SERVICE, POST OFFICE DEPARTMENT

OFFICE OF THE SECOND ASSISTANT POSTMASTER GENERAL

Foreign air-mail transportation: For an additional amount, fiscal year 1945, for "Foreign air-mail transportation"-----	\$3, 919, 000
Foreign air-mail transportation: For an additional amount, fiscal year 1946, for "Foreign air-mail transportation"-----	8, 196, 000
Foreign air-mail transportation: For an additional amount, fiscal year 1947, for "Foreign air-mail transportation," \$21,262,000, of which \$5,977,000 is to be transferred in the following respective amounts from the appropriations "Domestic Air Mail Service," \$5,972,000, and "Electric-car service," \$5,000-----	15, 285, 000

Due to the imminent establishment of permanent rates by the Civil Aeronautics Board for foreign air-mail service applicable retroactively to 1944, these additional amounts are necessary to pay for service performed for which no rates or only temporary rates obtain. The present estimate provides for substantial increases in payments to carriers since in many cases only token payments could be made in the absence of a permanent rate.

I recommend that the foregoing estimates of appropriation be transmitted to Congress.

Respectfully yours,

JAMES E. WEBB,
Director of the Bureau of the Budget.

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SUPPLEMENTAL ESTIMATE OF APPROPRIATION FOR
THE DISTRICT OF COLUMBIA

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

SUPPLEMENTAL ESTIMATE OF APPROPRIATION FOR FISCAL
YEAR 1947 IN THE AMOUNT OF \$29,500 FOR THE DISTRICT OF
COLUMBIA

MAY 15, 1947.—Referred to the Committee on Appropriations and ordered to be
printed

THE WHITE HOUSE,
Washington, May 14, 1947.

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to transmit herewith for the consideration of Congress a supplemental estimate of appropriation for fiscal year 1947 in the amount of \$29,500 for the District of Columbia.

The details of this estimate, the necessity therefor, and the reasons for its submission at this time are set forth in the letter of the Director of the Bureau of the Budget, transmitted herewith, in whose comments and observations thereon I concur.

Respectfully yours,

HARRY S. TRUMAN.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington 25, D. C., May 13, 1947.

The PRESIDENT,
The White House.

SIR: I have the honor to submit herewith for your consideration a supplemental estimate of appropriation for the fiscal year 1947 in the amount of \$29,500 for the District of Columbia, as follows:

DISTRICT OF COLUMBIA

PUBLIC WORKS

Operating expenses, Office of Superintendent of District Buildings: For an additional amount, fiscal year 1947, for "Operating expenses, Office of Superintendent of District Buildings"-----	\$29, 500
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DIVISION OF EXPENSES

The sums appropriated in this Act for the District of Columbia, shall, unless otherwise specifically provided, be paid out of the general fund of the District of Columbia, as defined in the District of Columbia Appropriation Act, 1947.

The Commissioners of the District of Columbia submitted the above estimate to the Bureau of the Budget with the statement that such an amount is required to meet a contingency which has arisen since the transmission of the budget for the fiscal year 1947.

Inasmuch as the estimated revenues of the District of Columbia appear to be sufficient for the current fiscal year to provide for the expenditure herein proposed, I recommend that the foregoing supplemental estimate of appropriation be transmitted to Congress.

Respectfully yours,

F. J. LAWTON,
Acting Director of the Bureau of the Budget.



TWO DRAFTS OF PROPOSED PROVISIONS PERTAINING TO
EXISTING APPROPRIATIONS FOR THE DEPARTMENT
OF AGRICULTURE

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

TWO DRAFTS OF PROPOSED PROVISIONS PERTAINING TO EX-
ISTING APPROPRIATIONS FOR THE DEPARTMENT OF AGRI-
CULTURE

MAY 15, 1947.—Referred to the Committee on Appropriations and ordered to be
printed

THE WHITE HOUSE,
Washington, May 14, 1947.

The SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to transmit herewith for the consideration of Congress two drafts of proposed provisions pertaining to existing appropriations for the Department of Agriculture.

The details of these proposed provisions, the necessity therefor, and the reasons for their transmission at this time are set forth in the letter of the Director of the Bureau of the Budget, transmitted herewith, in whose comments and observations thereon I concur.

Respectfully yours,

HARRY S. TRUMAN.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET.
Washington 25, D. C., May 12, 1947.

The PRESIDENT,
The White House.

SIR: I have the honor to submit herewith for your consideration two drafts of proposed provisions pertaining to existing appropriations for the Department of Agriculture, as follows:

DEPARTMENT OF AGRICULTURE

AGRICULTURAL RESEARCH ADMINISTRATION

REPAIR OF STORM DAMAGE, JEANERETTE, LOUISIANA

The limitation under the head "Agricultural Research Administration, Office of the Administrator" in the 1947 Department of Agriculture Appropriation Act on the cost of constructing buildings shall not apply to the construction of four buildings at the New Iberia Livestock Experiment Station, Jeanerette, Louisiana, to replace buildings destroyed by windstorm.

On March 12, 1947, considerable damage to Government property was caused by a severe windstorm at the New Iberia Livestock Experiment Station, Jeanerette, La., a station used jointly by the Bureau of Animal Industry and the Bureau of Dairy Industry for conducting investigations and demonstrations in the development of livestock production and in dairy cattle breeding, feeding, and management applicable to the cane-sugar and cotton districts of the United States. The storm damaged beyond repair a brick building used by the Bureau of Animal Industry for storage of machinery, removing the roof and collapsing most of the outside wall, as well as one partition wall. Five cattle shelters were blown off their foundations and practically demolished. Two of these shelters were used by the Bureau of Animal Industry and three by the Bureau of Dairy Industry.

By making adjustments within existing funds, the cost of replacing the damaged buildings can be met without additional appropriations. However, construction of the replacements will involve costs exceeding the statutory limitation of \$2,500 in the Department of Agriculture Appropriation Act for 1947 for constructing buildings, and it is therefore necessary to waive said limitation to make possible the reconstruction of the damaged facilities.

BUREAU OF ANIMAL INDUSTRY

Diseases of animals: The limitation under this head in the Department of Agriculture Appropriation Act, 1947, on the amount which may be used for construction of a building for conducting investigations of pneumoencephalitis in poultry is hereby increased from "\$30,000" to "\$65,000".

Under the subappropriation "Diseases of animals," Bureau of Animal Industry, the Department of Agriculture Appropriation Act for 1947 includes an authorization in the sum of \$30,000 for construction of a building to be used in conducting investigations of pneumoencephalitis in poultry, commonly known as Newcastle disease.

Despite the fact that requirements for the building were cut to a minimum to meet essential needs of the work all four of the bids

received for construction are in excess of the limitation, ranging from \$54,804 to \$68,200. Costs of labor and materials have increased to such an extent since the original estimate was prepared more than a year ago that the existing limitation is inadequate to carry forward the research program and to develop practical control methods.

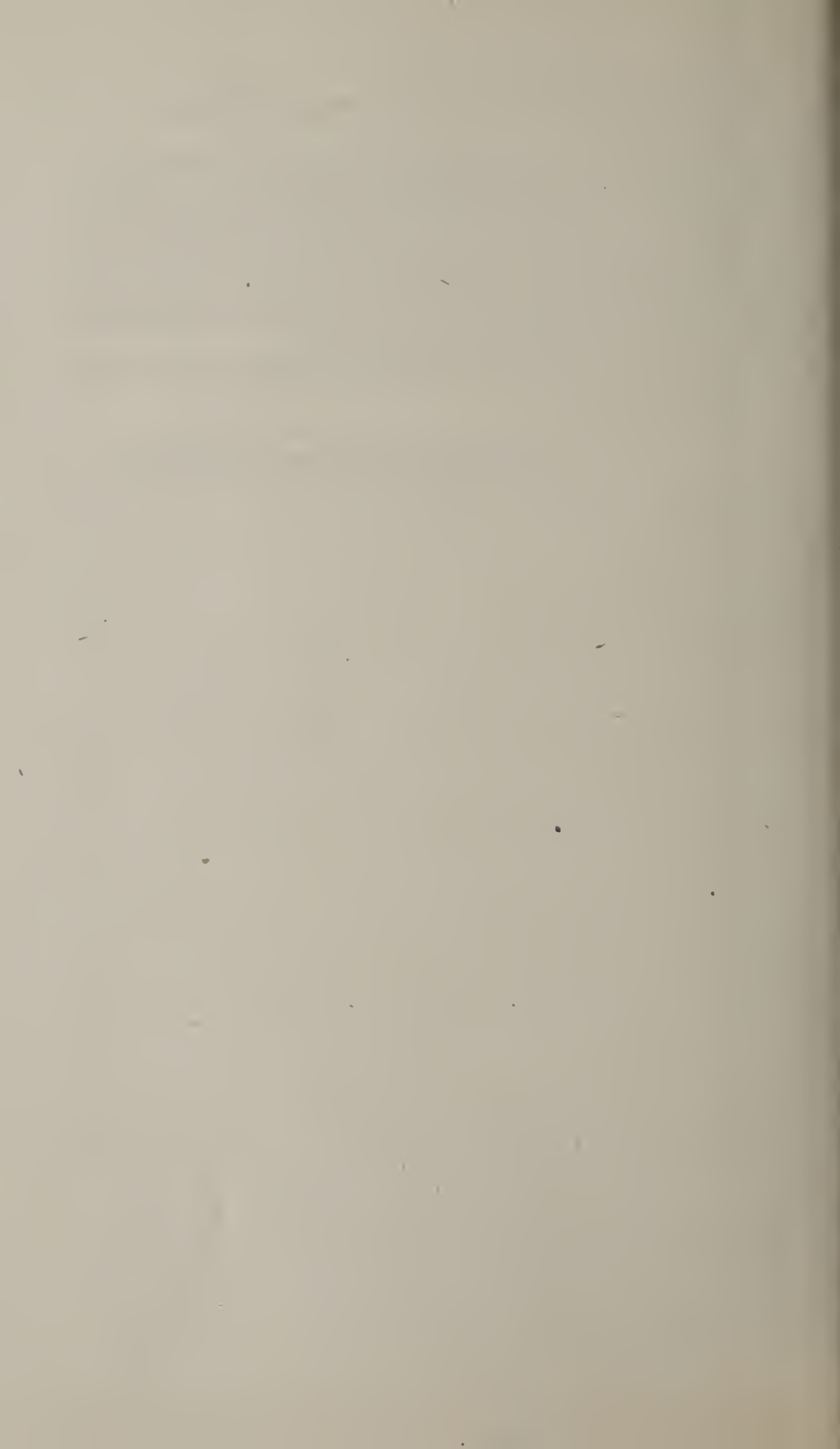
No additional funds are involved in this request. While it is recommended that the present limitation be raised from \$30,000 to \$65,000, it is proposed to absorb the increased cost within existing funds available to the Bureau of Animal Industry.

I recommend that these proposed provisions be transmitted to the Congress.

Respectfully yours,

F. J. LAWTON,
Acting Director of the Bureau of the Budget.





SUPPLEMENTAL ESTIMATE OF APPROPRIATION FOR THE
VETERANS' ADMINISTRATION

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

SUPPLEMENTAL ESTIMATE OF APPROPRIATION FOR THE FISCAL
YEAR 1947 IN THE AMOUNT OF \$29,610,000 FOR THE VETERANS'
ADMINISTRATION

MAY 29, 1947.—Referred to the Committee on Appropriations and ordered to
be printed

THE WHITE HOUSE,
Washington, May 27, 1947.

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to transmit herewith for the consideration of Congress a supplemental estimate of appropriation for the fiscal year 1947 in the amount of \$29,610,000 for the Veterans' Administration.

The details of this estimate, the necessity therefor, and the reasons for its submission at this time are set forth in the letter of the Director of the Bureau of the Budget, transmitted herewith, in whose comments and observations thereon I concur.

Respectfully yours,

HARRY S. TRUMAN.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington 25, D. C., May 26, 1947.

The PRESIDENT,
The White House.

SIR: I have the honor to submit herewith for your consideration a supplemental estimate of appropriation for the fiscal year 1947 in

2 SUPPLEMENTAL ESTIMATE—VETERANS' ADMINISTRATION

the amount of \$29,610,000 for the Veterans' Administration, as follows:

VETERANS' ADMINISTRATION

Administration, medical, hospital, and domiciliary services: For an additional amount, fiscal year 1947, for "Administration, medical, hospital, and domiciliary services"----- \$29, 610, 000

The costs of medical and hospital care of veterans will exceed previous estimates by \$33,051,000. Of this amount, \$23,730,000 results from a steadily increasing work load in the out-patient program and approximately \$9,300,000 results principally from increased patient loads and rising price levels. Downward adjustments in other programs of \$3,441,000 reduce the amount required to be appropriated to \$29,610,000.

I recommend that the foregoing supplemental estimate be transmitted to the Congress.

Respectfully yours,

JAMES E. WEBB,
Director of the Bureau of the Budget.

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PROPOSED PROVISION PERTAINING TO EXISTING APPROPRIATION
FOR FISCAL YEAR 1947 AND ESTIMATE OF APPROPRIATION
FOR THE FISCAL YEAR 1948 FOR THE DEPARTMENT OF AGRICULTURE

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

DRAFT OF A PROPOSED PROVISION PERTAINING TO AN EXISTING APPROPRIATION FOR THE FISCAL YEAR 1947 AND AN ESTIMATE OF APPROPRIATION FOR THE FISCAL YEAR 1948 IN THE AMOUNT OF \$5,000,000, FOR THE DEPARTMENT OF AGRICULTURE

MAY 29, 1947.—Referred to the Committee on Appropriations, and ordered to be printed

THE WHITE HOUSE,
Washington, May 26, 1947.

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to transmit herewith for the consideration of the Congress a draft of a proposed provision pertaining to an existing appropriation for the fiscal year 1947 and an estimate of appropriation for the fiscal year 1948 in the amount of \$5,000,000, for the Department of Agriculture.

The details of the provision and estimate, the necessity therefor, and the reasons for their transmission at this time are set forth in the letter of the Director of the Bureau of the Budget, transmitted herewith, in whose comments and observations thereon I concur.

Respectfully yours,

HARRY S. TRUMAN.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington 25, D. C., May 22, 1947.

The PRESIDENT,
The White House.

SIR: I have the honor to submit herewith for your consideration a draft of a proposed provision pertaining to an existing appropriation for the fiscal year 1947 and an estimate of appropriation for the fiscal year 1948 in the amount of \$5,000,000, for the Department of Agriculture, as follows:

DEPARTMENT OF AGRICULTURE

SUGAR RATIONING ADMINISTRATION

Salaries and expenses: Not to exceed \$415,000 of the \$898,000 transferred to the Department of Agriculture pursuant to section 3 (c) of the Sugar Control Extension Act of 1947 for the payment of terminal leave, is hereby merged with and made available for the fiscal year 1947 for the same purposes as other funds transferred to the Department of Agriculture pursuant to the same authority, notwithstanding the provisions to the contrary under the head "Office of Temporary Controls" in the Urgent Deficiency Appropriation Act, 1947.

Despite a reduction in regional and branch offices, the Department of Agriculture will be unable to effectively administer the functions transferred to it on April 1, 1947, pursuant to the Sugar Control Extension Act, for the remainder of the fiscal year 1947 within the \$2,475,500 of operating funds transferred from the Office of Temporary Controls (Office of Price Administration) pursuant to the said act. Accordingly, it is recommended that the Department be authorized to use for such operations not to exceed \$415,000 of the unobligated balance of \$898,000 earmarked for the payment of terminal leave only, which was also made available to the Department of Agriculture by transfer from the Office of Temporary Controls pursuant to the said act.

Salaries and expenses: For expenses necessary to enable the Secretary of Agriculture to perform in the fiscal year 1948 the functions and duties vested in him by the Sugar Control Extension Act of 1947 (Public Law 30), \$5,000,000, including personal services in the District of Columbia; services as authorized by section 15 of the Act of August 2, 1946; printing and binding; not to exceed \$35,000 for test purchases of commodities and ration currency for enforcement purposes; and hire of passenger motor vehicles: *Provided*, That not to exceed \$167,400 may be transferred to the regular departmental appropriation for penalty mail as required by the act of June 28, 1944.----- \$5, 000, 000

The Sugar Control Extension Act of 1947 provides for the continuation of price and rationing controls on sugar until October 31, 1947, unless in the judgment of the Secretary of Agriculture the supply warrants earlier termination of the controls. The present supply outlook is such that controls are deemed to be necessary for the period authorized. Accordingly, the above estimate is recommended for transmission to the Congress to provide funds for the continuation of rationing and price controls from July 1 to October 31, 1947, the payment of terminal leave, and for liquidation of the Sugar Rationing Administration of the Department of Agriculture. The Sugar Control Extension Act also authorizes the administration of controls on sugar allocations and inventories until March 31, 1948. However, no

funds are recommended for inventory controls and allocations after October 31, 1947, since it is considered that such controls would be ineffective in securing equitable distribution of sugar in the absence of rationing and price controls.

I recommend that the foregoing proposed provision and estimate be transmitted to the Congress.

Respectfully yours,

JAMES E. WEBB,
Director of the Bureau of the Budget.

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PROPOSED PROVISIONS PERTAINING TO EXISTING AP-
PROPRIATIONS FOR THE TREASURY DEPARTMENT

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

PROPOSED PROVISIONS PERTAINING TO EXISTING APPROPRIA-
TIONS FOR THE TREASURY DEPARTMENT

JUNE 2, 1947.—Referred to the Committee on Appropriations and ordered to be
printed

THE WHITE HOUSE,
Washington, May 31, 1947.

The SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to transmit herewith for the consideration of the Congress proposed provisions pertaining to existing appropriations for the Treasury Department.

The details of the proposed provisions, the necessity therefor, and the reasons for their submission at this time are set forth in the letter of the Director of the Bureau of the Budget, transmitted herewith, in whose comments and observations thereon I concur.

Respectfully yours,

HARRY S. TRUMAN.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington 25, D. C., May 29, 1947.

The PRESIDENT,
The White House.

SIR: I have the honor to submit herewith for your consideration drafts of proposed provisions pertaining to existing appropriations for the Treasury Department as follows:

TREASURY DEPARTMENT

FISCAL SERVICE

Emergency relief, liquidation fund: Title II of the Urgent Deficiency Appropriation Act, 1947 (Public Law 20) is amended by deleting the figures "\$1,280,000" following the words "Bureau of Accounts: Emergency relief, liquidation fund," and inserting in lieu thereof the figures "\$1,243,555.94".

In connection with a proposed rescission, officials of the Treasury Department advised the Congress that there was a balance of \$1,305,592.02 in this appropriation; that a balance of \$25,592.02 would be ample to meet outstanding obligations; and that \$1,280,000 could safely be rescinded. However, subsequent to the Treasury recommendation and prior to the enactment of Public Law 20, the General Accounting Office certified for payment claims in the amount of \$62,036.08. The payment of these claims reduced the balance in the account of \$1,243,555.94, which is \$36,444.06 less than the amount rescinded. It is proposed that Public Law 20 be amended to change the amount rescinded to the balance in the account.

BUREAU OF INTERNAL REVENUE

Salaries and expenses: The limitation under "Salaries and expenses", Bureau of Internal Revenue, on the amount which may be expended for printing and binding, fiscal year 1947, is hereby increased from "\$2,200,000" to "\$2,390,000".

The printing and binding estimate for 1947 was prepared by the Bureau of Internal Revenue during the early part of 1946. Since that time, prices have been increased by the Government Printing Office to the extent that the total cost of printing and binding has increased for 1947, although the quantities printed were less than anticipated.

It is recommended that these proposed provisions be transmitted to the Congress.

Respectfully yours,

F. J. LAWTON,
Acting Director of the Bureau of the Budget.

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SUPPLEMENTAL ESTIMATE OF APPROPRIATION FOR
THE FEDERAL SECURITY AGENCY

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

A SUPPLEMENTAL ESTIMATE OF APPROPRIATION FOR THE FISCAL YEAR 1947 IN THE AMOUNT OF \$500,000 FOR THE FEDERAL SECURITY AGENCY

JUNE 4, 1947.—Referred to the Committee on Appropriations and ordered to be printed

THE WHITE HOUSE,
Washington, June 3, 1947.

The SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to transmit herewith for the consideration of Congress a supplemental estimate of appropriation for the fiscal year 1947 in the amount of \$500,000 for the Federal Security Agency.

The details of this estimate, the necessity therefor, and the reasons for its submission at this time are set forth in the letter of the Director of the Bureau of the Budget, transmitted herewith, in whose comments and observations thereon I concur.

Respectfully yours,

HARRY S. TRUMAN.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington 25, D. C., June 3, 1947.

The PRESIDENT,
The White House.

SIR: I have the honor to submit herewith for your consideration a supplemental estimate of appropriation for the fiscal year 1947 in the amount of \$500,000 for the Federal Security Agency, as follows:

FEDERAL SECURITY AGENCY

BUREAU OF EMPLOYEES' COMPENSATION

Employees' compensation fund: For an additional amount, fiscal year 1947, for "Employees' compensation fund"----- \$500, 000

Appropriations totaling \$14,100,000 have been made available under this fund for the fiscal year 1947. This sum was provided for the payment of disability and death benefits under the Federal Employees' Compensation Act of 1916, as amended, and for wage accruals benefits as authorized by Public Law 650, approved August 7, 1946. The trend of statutory benefits being currently paid under the Federal Employees' Compensation Act, in addition to approved claims which will be processed during the current fiscal year, indicate, however, that \$14,600,000 will be required. This is \$500,000 in excess of appropriations provided, which is the amount of this request.

Since claims adjudicated constitute a legal obligation against the Government once the claim is approved, it is recommended that the estimate be transmitted to the Congress.

Respectfully yours,

F. J. LAWTON,
Acting Director of the Bureau of the Budget.

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SUPPLEMENTAL ESTIMATE OF APPROPRIATION FOR
THE FEDERAL SECURITY AGENCY

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

A SUPPLEMENTAL ESTIMATE OF APPROPRIATION FOR THE FISCAL YEAR 1947 IN THE AMOUNT OF \$500,000 FOR THE FEDERAL SECURITY AGENCY

JUNE 4, 1947.—Referred to the Committee on Appropriations and ordered to be printed

THE WHITE HOUSE,
Washington, June 3, 1947.

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to transmit herewith for the consideration of Congress a supplemental estimate of appropriation for the fiscal year 1947 in the amount of \$500,000 for the Federal Security Agency.

The details of this estimate, the necessity therefor, and the reasons for its submission at this time are set forth in the letter of the Director of the Bureau of the Budget, transmitted herewith, in whose comments and observations thereon I concur.

Respectfully yours,

HARRY S. TRUMAN.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington 25, D. C., June 3, 1947.

The PRESIDENT,
The White House.

SIR: I have the honor to submit herewith for your consideration a supplemental estimate of appropriation for the fiscal year 1947 in the amount of \$500,000 for the Federal Security Agency, as follows:

FEDERAL SECURITY AGENCY

BUREAU OF EMPLOYEES' COMPENSATION

Employees' compensation fund: For an additional amount, fiscal year 1947, for "Employees' compensation fund"----- \$500, 000

Appropriations totaling \$14,100,000 have been made available under this fund for the fiscal year 1947. This sum was provided for the payment of disability and death benefits under the Federal Employees' Compensation Act of 1916, as amended, and for wage accruals benefits as authorized by Public Law 650, approved August 7, 1946. The trend of statutory benefits being currently paid under the Federal Employees' Compensation Act, in addition to approved claims which will be processed during the current fiscal year, indicate, however, that \$14,600,000 will be required. This is \$500,000 in excess of appropriations provided, which is the amount of this request.

Since claims adjudicated constitute a legal obligation against the Government once the claim is approved, it is recommended that the estimate be transmitted to the Congress.

Respectfully yours,

F. J. LAWTON,
Acting Director of the Bureau of the Budget.

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SUPPLEMENTAL ESTIMATES OF APPROPRIATION FOR
THE LEGISLATIVE BRANCH, HOUSE OF REPRESENTA-
TIVES

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

SUPPLEMENTAL ESTIMATES OF APPROPRIATION FOR THE FISCAL
YEAR 1947 IN THE AMOUNT OF \$65,000 FOR THE LEGISLATIVE
BRANCH, HOUSE OF REPRESENTATIVES

JUNE 5, 1947.—Referred to the Committee on Appropriations and ordered to be
printed

THE WHITE HOUSE,
Washington, June 4, 1947.

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to transmit herewith for the consideration of Congress supplemental estimates of appropriation for the fiscal year 1947 in the amount of \$65,000 for the legislative branch, House of Representatives.

The details of these estimates are set forth in the accompanying letter of the Director of the Bureau of the Budget.

Respectfully yours,

HARRY S. TRUMAN.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington 25, D. C., June 4, 1947.

The PRESIDENT,
The White House.

SIR: I have the honor to submit herewith for your consideration supplemental estimates of appropriation for the fiscal year 1947 in the amount of \$65,000 for the legislative branch, House of Representatives, as follows:

LEGISLATIVE BRANCH

HOUSE OF REPRESENTATIVES

CONTINGENT EXPENSES OF THE HOUSE

Special and select committees: For an additional amount, fiscal year 1947, for "Special and select committees"-----	\$50, 000
Telegraph and telephone: For an additional amount, fiscal year 1947, for "Telegraph and telephone"-----	15, 000

The letter of the Clerk, House of Representatives, dated June 2, 1947, submitting these estimates is transmitted herewith.

These being estimates for the legislative branch, I make no observation concerning their necessity.

Respectfully yours,

F. J. LAWTON,
Acting Director of the Bureau of the Budget.

OFFICE OF THE CLERK,
HOUSE OF REPRESENTATIVES,
Washington, D. C., June 2, 1947.

DIRECTOR, BUREAU OF THE BUDGET,
Executive Office of the President, Washington, D. C.

SIR: I submit herewith for transmission to Congress supplemental estimates of appropriations required by the legislative branch, House of Representatives, fiscal year ending June 30, 1947, as follows:

CONTINGENT EXPENSES OF THE HOUSE

Special and select committees: For an additional amount for expenses of special and select committees authorized by the House, fiscal year 1947-----	\$50, 000
Telegraph and telephone: For an additional amount for telegraph and telephone service, exclusive of personal services, fiscal year 1947-----	15, 000
Total-----	65, 000

Respectfully yours,

JOHN ANDREWS,
Clerk, House of Representatives.

DEFICIENCY ESTIMATES OF APPROPRIATION AND SUPPLEMENTAL ESTIMATES FOR THE DISTRICT OF COLUMBIA

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

DEFICIENCY ESTIMATES OF APPROPRIATION IN THE AMOUNT OF \$183,282.06, AND SUPPLEMENTAL ESTIMATES OF APPROPRIATION FOR THE FISCAL YEAR 1947 IN THE AMOUNT OF \$12,000.00, IN ALL, \$195,282.06, FOR THE DISTRICT OF COLUMBIA

JUNE 5, 1947.—Referred to the Committee on Appropriations and ordered to be printed

THE WHITE HOUSE,
Washington, June 5, 1947.

The SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to transmit herewith for the consideration of Congress deficiency estimates of appropriation in the amount of \$183,282.06, and supplemental estimates of appropriation for the fiscal year 1947 in the amount of \$12,000, in all, \$195,282.06, for the District of Columbia.

The details of these estimates, the necessity therefor, and the reason for their submission at this time is set forth in the letter of the Director of the Bureau of the Budget, transmitted herewith, in whose comments and observations thereon I concur.

Respectfully yours,

HARRY S. TRUMAN.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington 25, D. C., June 4, 1947.

The PRESIDENT,
The White House.

SIR: I have the honor to submit herewith for your consideration deficiency estimates of appropriation for the fiscal year 1946, and prior fiscal years, in the amount of \$183,282.06, and supplemental estimates of appropriation for the fiscal year 1947 in the amount of \$12,000.00, in all, \$195,282.06, for the District of Columbia, as follows:

DISTRICT OF COLUMBIA

COMPENSATION AND RETIREMENT FUND EXPENSES

Workmen's compensation, administrative expenses: For an additional amount, fiscal year 1947, for "Workmen's compensation, administrative expenses"----- \$6, 000. 00

COURTS

United States courts: For an additional amount, fiscal year 1946, for "United States courts"----- 140, 510. 25

PUBLIC WELFARE

Operating expenses, institutions for the indigent: For an additional amount, fiscal year 1947, for "Operating expenses, institutions for the indigent"----- 6, 000. 00

JUDGMENTS

For the payment of final judgments, including costs rendered against the District of Columbia, as set forth in House Document No. —, together with such further sums as may be necessary to pay the interest at not exceeding 4 per centum per annum on such judgments, as provided by law, from the date the same became due until the date of payment----- 2, 364. 89

	Amount of judgment	Costs	Total
Fidelity and Deposit Company, of Maryland, a corporation-----	\$1, 608. 99		\$1, 608. 99
Hamilton National Bank-----		\$255. 90	255. 90
Robert F. C. Ross-----	500. 00		500. 00
Total-----	2, 108. 99	255. 90	2, 364. 89

AUDITED CLAIMS

For the payment of the following claims, certified to be due by the accounting officers of the District of Columbia, under the appropriations listed below, the balances of which have been exhausted or carried to the surplus fund under the provisions of section 5 of the Act of June 20, 1874 (31 U. S. C. 713), being for the service of the fiscal year 1943 and prior fiscal years, as follows:

Refund of erroneous collections, District of Columbia, 1942----- \$117. 49
Refund of erroneous collections, District of Columbia, 1943----- 6, 211. 29
Street improvements, highway fund, District of Columbia, 1942 (payable from highway fund)----- 34, 078. 14
In all, \$40,406.92.

DIVISION OF EXPENSES

The sums appropriated in this Act for the District of Columbia shall, unless otherwise specifically provided, be paid out of the general fund of the District of Columbia, as defined in the District of Columbia Appropriation Act, 1947.

The Commissioners of the District of Columbia have submitted the above estimates of appropriation to the Bureau of the Budget with the statement that such amounts are required to meet contingencies which have arisen since the transmission of the Budget for the fiscal years involved.

Inasmuch as the estimated revenues of the District of Columbia appear to be sufficient for the current fiscal year to provide for the expenditures herein proposed, I recommend that the foregoing estimates of appropriation be transmitted to Congress.

Respectfully yours,

F. J. LAWTON,
Acting Director of the Bureau of the Budget.



DEFICIENCY ESTIMATE OF APPROPRIATION TOGETHER WITH
DRAFTS OF PROPOSED PROVISIONS PERTAINING TO EXISTING
APPROPRIATIONS FOR THE DEPARTMENT OF JUSTICE

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

DEFICIENCY ESTIMATE OF APPROPRIATION FOR THE FISCAL
YEAR 1942 IN THE AMOUNT OF \$62.50, TOGETHER WITH DRAFTS
OF PROPOSED PROVISIONS PERTAINING TO EXISTING APPRO-
PRIATIONS, FOR THE DEPARTMENT OF JUSTICE

JUNE 5, 1947.—Referred to the Committee on Appropriations and ordered to be
printed

THE WHITE HOUSE,
Washington, June 5, 1947.

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to transmit herewith for the consideration of the Congress a deficiency estimate of appropriation for the fiscal year 1942 in the amount of \$62.50, together with drafts of proposed provisions pertaining to existing appropriations, for the Department of Justice.

The details of this estimate and the proposed provisions, the necessity therefor, and the reasons for their transmission at this time are set forth in the letter of the Director of the Bureau of the Budget transmitted herewith, in whose comments and observations thereon I concur.

Respectfully yours,

HARRY S. TRUMAN.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington 25, D. C., June 4, 1947.

The PRESIDENT,
The White House.

SIR: I have the honor to submit herewith for your consideration a deficiency estimate of appropriation for the fiscal year 1942 in the amount of \$62.50, together with drafts of proposed provisions pertaining to existing appropriations, for the Department of Justice, as follows:

DEPARTMENT OF JUSTICE

LEGAL ACTIVITIES AND GENERAL ADMINISTRATION

Salaries and expenses, Lands Division: For an additional amount, fiscal year 1942, for "Salaries and expenses, Lands Division"----- \$62. 50

This estimate is for the payment of a claim certified for settlement by the Comptroller General, chargeable to an appropriation that is exhausted, which requires a deficiency appropriation for payment.

There is hereby transferred the sum of \$5,000 from the appropriation "Traveling expenses, Department of Justice, 1947," to the appropriation "Examination of judicial offices, 1947."

Obligations under the appropriation "Examination of judicial offices" have exceeded expectations in the current year because certain employees, with reemployment rights, have returned from service with the armed forces sooner than expected. The necessity for placing these returned veterans on the pay roll did not become known in time to prevent excessive obligations under the appropriation.

Fees of witnesses: The limitation on the amount which may be expended for compensation and expenses of witnesses or informants as may be authorized or approved by the Attorney General, fiscal year 1947, is hereby increased from "\$25,000" to "\$50,000."

The necessity for this proposed provision arises from requirements for the attendance of an unanticipated number of witnesses brought from abroad. The need for expenditures under this limitation evolves only as litigation develops, and the necessity for an increase could not be foreseen.

I recommend that the foregoing deficiency estimate and drafts of proposed provisions be transmitted to the Congress.

Respectfully yours,

F. J. LAWTON,
Acting Director of the Bureau of the Budget.



REVISED ESTIMATE OF APPROPRIATION, INVOLVING A
DECREASE, FOR THE DEPARTMENT OF JUSTICE

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

REVISED ESTIMATE OF APPROPRIATION FOR THE FISCAL YEAR
1947 INVOLVING A DECREASE OF \$400,000 FOR THE DEPARTMENT
OF JUSTICE

JUNE 5, 1947.—Referred to the Committee on Appropriations and ordered to be
printed

THE WHITE HOUSE,
Washington, June 5, 1947.

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to transmit herewith for the consideration of the Congress a revised estimate of appropriation for the fiscal year 1947 involving a decrease of \$400,000 for the Department of Justice, in the form of an amendment to House Document 108, Eightieth Congress.

The details of the amendment, the necessity therefor, and the reasons for its submission at this time are set forth in the letter of the Director of the Bureau of the Budget, transmitted herewith, in whose comments and observations thereon I concur.

Respectfully yours,

HARRY S. TRUMAN.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington 25, D. C., June 4, 1947.

The PRESIDENT,
The White House.

SIR: I have the honor to submit herewith for your consideration a revised estimate of appropriation for the fiscal year 1947 involving a decrease of \$400,000 for the Department of Justice, in the form of an amendment to House Document 108, Eightieth Congress, as follows:

DEPARTMENT OF JUSTICE

IMMIGRATION AND NATURALIZATION SERVICE

On page 2, House Document 108, reduce the amount of the estimate for "Salaries and expenses, Immigration and Naturalization Service" from "\$800,000" to "\$400,000" ----- (decrease) -- \$400, 000

This proposed revision is recommended at this time because it is now evident that the Immigration and Naturalization Service can absorb a part of the costs of overtime services of immigrant inspectors and other employees, payable as a result of a decision of the United States Court of Claims, dated May 6, 1946.

I recommend that the revision be transmitted to the Congress.

Respectfully yours,

F. J. LAWTON,
Acting Director of the Bureau of the Budget.

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PROPOSED PROVISION PERTAINING TO APPROPRIATIONS
FOR THE FISCAL YEAR 1947 FOR THE VARIOUS DE-
PARTMENTS AND AGENCIES

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

DRAFT OF A PROPOSED PROVISION PERTAINING TO THE APPRO-
PRIATIONS FOR THE FISCAL YEAR 1947 FOR THE VARIOUS DE-
PARTMENTS AND AGENCIES

JUNE 6, 1947.—Referred to the Committee on Appropriations, and ordered to be
printed

THE WHITE HOUSE
Washington June 5 1947.

The SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to transmit herewith for the consideration of Congress a draft of a proposed provision pertaining to the appropriations for the fiscal year 1947 for the various departments and agencies.

The details of the draft of the proposed provision, the necessity therefor, and the reasons for its transmission at this time are set forth in the letter of the Director of the Bureau of the Budget, transmitted herewith, in whose comments and observations thereon I concur.

Respectfully yours

HARRY S. TRUMAN.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington 25, D. C., June 5, 1947.

The PRESIDENT,
The White House.

SIR: I have the honor to submit for your consideration a draft of a proposed provision pertaining to the appropriations for the fiscal year 1947 for the various departments and agencies as follows:

GENERAL PROVISIONS

When employees are separated from the service during July 1947 by reason of a reduction-in-force and have been given notice of such separation during the fiscal year 1947, lump-sum payments for accumulated leave may be charged against unobligated balances of the 1947 appropriations from which such employees were paid: *Provided*, That subparagraphs (A) and (B) of paragraph (1) of section 14 (a) of the Federal Employees Pay Act of 1946 (Public Law 390) shall not apply to such employees.

This general provision is required to permit the various departments and agencies to charge lump-sum payments for accumulated leave, made to employees separated by reason of reduction in force during July 1947, against unobligated balances of the 1947 appropriations from which such employees were paid, in cases where the notices of separation have been given during the fiscal year 1947.

The need for such a general provision arises from the fact that in reporting appropriations bills providing for reductions in personnel, the House Appropriations Committee has stated that the reductions must be undertaken at the earliest possible date, that the terminal-leave costs must be borne by the current appropriations, and that no deficiency estimates for either 1947 or 1948 will be entertained to pay such costs.

As of this date, the Congress has passed no appropriation bills for the fiscal year 1948. Where both Houses have acted, there are wide differences in the appropriations approved, which must be settled in conference. Some appropriation bills have not been considered by either House. Because of this situation the reductions in personnel which will be necessary in this fiscal year to meet the possible reductions in the 1948 appropriations cannot now be determined. In the limited time remaining in this fiscal year the physical work involved in reducing the number of employees to the number to be carried in 1948 cannot, in many instances, be completed until the latter half of June.

In view of the circumstances outlined above, and in order to make it possible for the departments and agencies to give the employees that must be separated during the remainder of the 1947 fiscal year; because of reduced appropriations for the fiscal year 1948, some reasonable notices of their separations, it is recommended that the foregoing provision be transmitted to the Congress.

Respectfully yours,

F. J. LAWTON,
Acting Director of the Bureau of the Budget.



SUPPLEMENTAL ESTIMATE OF APPROPRIATION TOGETHER WITH
A PROPOSED PROVISION PERTAINING TO AN APPROPRIATION
FOR THE FEDERAL SECURITY AGENCY

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

SUPPLEMENTAL ESTIMATE OF APPROPRIATION FOR THE FISCAL
YEAR 1948 IN THE AMOUNT OF \$12,026,000, TOGETHER WITH A
PROPOSED PROVISION PERTAINING TO AN APPROPRIATION FOR
THE FISCAL YEAR 1948, FOR THE FEDERAL SECURITY

JUNE 6, 1947.—Referred to the Committee on Appropriations and ordered to be
printed

THE WHITE HOUSE,
Washington, June 5, 1947.

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES:

SIR: I have the honor to transmit herewith for the consideration of Congress a supplemental estimate of appropriation for the fiscal year 1948 in the amount of \$12,026,000, together with a proposed provision pertaining to an appropriation for the fiscal year 1948, for the Federal Security Agency.

The details of this estimate and proposed provision, the necessity therefor, and the reasons for their submission at this time are set forth in the letter of the Director of the Bureau of the Budget, transmitted herewith, in whose comments and observations thereon I concur.

Respectfully yours,

HARRY S. TRUMAN.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C., June 5, 1947.

The PRESIDENT,
The White House.

SIR: I have the honor to submit herewith for your consideration a supplemental estimate of appropriation for the fiscal year 1948 in the amount of \$12,026,000, together with a proposed provision pertaining to an appropriation for the fiscal year 1948, for the Federal Security Agency, as follows:

FEDERAL SECURITY AGENCY

SOCIAL SECURITY ADMINISTRATION

Grants to States for unemployment compensation administration:

For an additional amount, fiscal year 1948, for "Grants to States for unemployment compensation administration"----- \$12, 026, 000

These funds will be needed in 1948 for the administration of State unemployment compensation agencies, based upon forecasts of work loads and salary rates revised since the Budget for fiscal year 1948 was submitted to the Congress.

OFFICE OF VOCATIONAL REHABILITATION

Such sums as may be necessary are hereby appropriated for making for the first quarter of the fiscal year 1948 payments to States in accordance with the Vocational Rehabilitation Act, as amended (29 U. S. C., ch. 4): *Provided*, That the obligations incurred and expenditures made for such purpose under the authority of this appropriation shall be charged to the appropriation therefor in the Labor-Federal Security Appropriation Act, 1948.

This proposed provision is necessary to permit the Office of Vocational Rehabilitation to make payments to States, as required by law, for the first quarter of 1948, if the Labor-Federal Security Appropriation Act, 1948, is not enacted before July 1, 1947.

I recommend that the estimate and the proposed provision be transmitted to the Congress.

Respectfully yours, .

F. J. LAWTON,
Acting Director of the Bureau of the Budget.

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DEFICIENCY ESTIMATES OF APPROPRIATION FOR THE
JUDICIARY

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

DEFICIENCY ESTIMATES OF APPROPRIATION FOR THE FISCAL
YEAR 1946 IN THE AMOUNT OF \$8,124.07, AND SUPPLEMENTAL
ESTIMATES OF APPROPRIATION FOR THE FISCAL YEAR 1947 IN
THE AMOUNT OF \$53,700, FOR THE JUDICIARY

JUNE 6, 1947.—Referred to the Committee on Appropriations and ordered to
be printed

THE WHITE HOUSE,
Washington, June 5, 1947.

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to transmit herewith for the consideration of the Congress deficiency estimates of appropriation for the fiscal year 1946 in the amount of \$8,124.07, and supplemental estimates of appropriation for the fiscal year 1947 in the amount of \$53,700, for the judiciary.

The details of these estimates, the necessity therefor, and the reasons for their submission at this time are set forth in the letter of the Director of the Bureau of the Budget, transmitted herewith, in whose comments and observations thereon I concur.

Respectfully yours,

HARRY S. TRUMAN.

2 DEFICIENCY ESTIMATES OF APPROPRIATION FOR THE JUDICIARY

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington 25, D. C., June 5, 1947.

The PRESIDENT,
The White House.

SIR: I have the honor to submit herewith for your consideration deficiency estimates of appropriation for the fiscal year 1946 in the amount of \$8,124.07 and supplemental estimates of appropriation for the fiscal year 1947 in the amount of \$53,700, for the judiciary, as follows:

THE JUDICIARY

COURT OF CUSTOMS AND PATENT APPEALS

Printing and binding: For an additional amount, fiscal year 1946,
for "Printing and binding"----- \$1, 074. 07

This additional amount is required because of increased costs of printing the reports of the court. Material to be included in these reports is sent to the Public Printer as opinions are rendered during the terms of court, and no complete estimate of cost could be made until after the close of the court term.

MISCELLANEOUS ITEMS OF EXPENSE

Printing and binding: For an additional amount, fiscal year 1946, for
"Printing and binding"----- \$7, 050

This additional amount is required to complete payment of bills rendered by the Government Printing Office for printing and binding volumes of reports of the Supreme Court of the United States. Because of increases in costs of printing, and the necessity of publishing three volumes during the year instead of two volumes as in the preceding year, the amount available was insufficient for the printing required.

Fees of jurors: For an additional amount, fiscal year 1947, for "Fees
of jurors"----- \$30, 000

This supplemental appropriation is required because of the increased number of witnesses required by the courts. The fees and mileage paid to jurors are fixed by statute, and the requirements during the current year for these purposes has exceeded the amount available in the present appropriation.

Printing and binding: For an additional amount, fiscal year 1947, for
"Printing and binding"----- \$23, 700

This supplemental appropriation is required because of the necessity of publishing three volumes of Supreme Court reports during the fiscal year 1947, and the increased unit cost of printing and binding. It is now apparent that the amount available in the present appropriation is inadequate and the additional amount will be necessary to complete work now in process.

I recommend that the foregoing estimates be transmitted to the Congress.

Respectfully yours,

F. J. LAWTON,
Acting Director of the Bureau of the Budget.

HOUSE HEARINGS ON SECOND URGENT DEFICIENCY
APPROPRIATION BILL, 1947 (H.R. 3971):

War Rationing Administration (pp. 82-4).

F.O. explains improvements in distribution
procedures and increases in work load, discussing
sale of Farmers' Bulletins particularly (pp. 1-7).

Additional request for Employees' Compensation
fund (pp. 85-6).

Explanation of expenditures by Appropriations and
other committees for investigations (pp. 86-9).

Mr. Lawton, BB, presents draft to permit terminal-
leave payments in 1948 from 1947 funds (pp.

103-5).

SECOND URGENT DEFICIENCY APPROPRIATION BILL FOR 1947

HEARINGS

BEFORE THE

SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS HOUSE OF REPRESENTATIVES

EIGHTIETH CONGRESS
FIRST SESSION

ON THE

SECOND URGENT DEFICIENCY APPROPRIATION BILL FOR 1947

Printed for the use of the Committee on Appropriations



UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1947

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SECOND URGENT DEFICIENCY APPROPRIATION BILL, 1947

HEARINGS CONDUCTED BY THE SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS, HOUSE OF REPRESENTATIVES, IN CHARGE OF DEFICIENCY APPROPRIATIONS, MESSRS. JOHN TABER (CHAIRMAN), RICHARD B. WIGGLESWORTH, ALBERT J. ENGEL, KARL STEFAN, FRANCIS CASE, FRANK B. KEEFE, CLARENCE CANNON, JOHN H. KERR, AND GEORGE H. MAHON, ON THE DAYS FOLLOWING, NAMELY:

THURSDAY, MAY 29, 1947.

GOVERNMENT PRINTING OFFICE

OFFICE OF THE SUPERINTENDENT OF DOCUMENTS

STATEMENT OF FRED W. CROMWELL, SUPERINTENDENT OF DOCUMENTS; ROY B. EASTIN, ASSISTANT SUPERINTENDENT OF DOCUMENTS; AND FELIX E. CRISTOFANE, COMPTROLLER, GOVERNMENT PRINTING OFFICE

SALARIES

Mr. STEFAN. We take up at this time a supplemental estimate for appropriation to the Office of Superintendent of Documents, Government Printing Office, submitted in House Document 225, as follows:

For an additional amount, fiscal year 1947, for "salaries," \$21,500.

The estimate is accompanied by a letter of Mr. Giegengack, Public Printer, containing a statement in support of the request for the supplemental appropriation.

Mr. Cromwell, do you have a statement to make to the committee?

Mr. CROMWELL. Yes, sir.

Mr. STEFAN. Suppose you make your statement and then summarize it for us.

GENERAL STATEMENT

Mr. CROMWELL. The Office of the Superintendent of Documents is a division of the Government Printing Office. It operates, however, under a separate appropriation. There are five major functions of the Documents Division, one of which is the sale of Government documents. This sales function results in a profit to the Government. For the first time in the history of the Division of Public Documents, extending back over 52 years, more than the entire amount appropriated for the operation of the Division will be returned to the Treasury in the form of miscellaneous receipts from sales. This means that the sales function of the Division is not only self-sustaining, but is also paying the cost of the other major functions of the office, of which none produces revenue.

These non-revenue-producing functions are: (1) The compilation and issuance of official catalogs and indexes; (2) the distribution of publications to designated depository libraries; (3) the distribution of publications for other agencies of the Government; and (4) the distribution for Members of Congress of their quotas of such publications as farmers' bulletins, soil surveys, and the Congressional Record.

All of our functions are of such types that we have no control over the volume of work which we are called upon to perform. We cannot regulate the number of persons who write to us to buy publications. We are required by law to include in our catalogs and indexes information concerning every publication of the Federal Government. We are also required to prepare mailing lists and to perform mailing operations upon the request of any of the Government agencies. Another legal obligation is to handle the mailing of farmers' bulletins, soil surveys, and copies of the Congressional Record and other publications which are allocated to members of Congress on a quota basis. We are further required to supply 1 copy of every Government publication, upon request, to more than 500 libraries which are legally designated depositories for Government publications. Thus, we are entirely a service agency and must be prepared to discharge demands made for our services.

The history of the Office of the Division of Public Documents has been one of constant growth. The amount turned into the Treasury as miscellaneous receipts from the sale of Government publications has more than doubled in the last 5 years. For the last 2 years we have been struggling with the problems of speeding up our services to the public and to Members of Congress and at the same time reducing the cost of handling each order.

During the fiscal year 1946 we mailed about half a million publications each month for Members of Congress. We sent over 5½ million publications to depository libraries. The cost of these publications and the cost of mailing had to be paid from our appropriation. We mailed more than 95,000,000 publications for other agencies of the Government, whom we service by law and who do not pay for this mailing service, as we are required to include its cost in our appropriation. We received about 1,400,000 letters and orders from the general public in connection with our sales program.

There is a growing interest in Government documents. Many are now in the "best seller" class. To date we have sold more than 3,676,000 copies of *Infant Care*, a publication of the Children's Bureau, which sells for 10 cents. We have also sold more than 2,091,000 copies of *Prenatal Care*, published by the same Bureau, and for sale by our Office for 5 cents. We have sold 249,206 copies of *A Description of United States Postage Stamps*, which sells for 30 cents. *Furniture—Its Selection and Use* has sold over 328,000 copies at 10 cents per copy. We have sold over 250,000 copies of a publication entitled "You Can Make It—Practical Uses of Second-hand Boxes and Odd Pieces of Lumber," at 10 cents per copy. Sales of *Aunt Sammy's Radio Recipes* have exceeded 73,000 at 20 cents per copy. *Pilots' Power Plant Manual*, *Civil Aeronautics Bulletin No. 28*, sells for 75 cents a copy and has passed the 399,000 mark. *Care and Repair of the House* has exceeded 97,000 copies at 20 cents per copy. We have sold over 103,600 copies of *National Parks Portfolio* at \$1.50 per copy. *Light Frame House Construction* has surpassed

54,600 copies at 40 cents each. We have sold more than 119,700 copies of Basic Photography at 50 cents per copy, and our sales of Veterans' Administration Pamphlet No. 44 entitled "Veterans' Benefits," has reached more than 40,800 copies at 15 cents per copy.

For the first 9 months of the fiscal year 1947 the number of orders which we received was 44 percent greater than for the corresponding period in 1946, and the amount of money received was about 39 percent greater. The distribution of farmers' bulletins for Members of Congress has been unusually heavy this spring. It is absolutely imperative that we handle these orders from Members of Congress with utmost dispatch in order that the bulletins will reach their recipients during the spring months.

After the Federal Employees' Pay Act of 1946 was passed last year, we were asked by the Bureau of the Budget if we desired to request a supplemental appropriation to cover the 14-percent increase in salaries. In keeping with the spirit of the act, we determined if at all possible to absorb this pay increase.

The pay increase amounted to approximately \$160,000 of our total budget for personnel of \$1,300,000. For the present fiscal year the Appropriations Committee allowed us an increase of \$245,000 for additional personnel. We will spend \$160,000 for the cost of the Federal Employees' Pay Act of this \$245,000 which leaves us a net increase of \$85,000 for this fiscal year over the last fiscal year. With this net increase of \$85,000 we have been attempting to handle a 44-percent increase in our sales business as well as an unusually heavy distribution by Members of Congress of farmers' bulletins. To accomplish this we have greatly simplified our methods of discharging our functions. We have recently inaugurated, with the approval of the General Accounting Office, a simplified method of accounting for collections and refunds. This has enabled us to discontinue the maintenance of a file of more than 1,000,000 letters and order blanks and relieves us of the preparation, in duplicate, of more than 175,000 refund vouchers each year. In addition, we are able to provide customers with more complete information about their orders by returning the original letters, or order blanks, a procedure followed by mail order houses. Also, this simplified accounting procedure reduces the time required to handle an order.

We have also inaugurated an order blank for the first time in the history of our Office. This enables us to handle orders easier and faster and results in more accurate and speedier services to our customers. We have improved our methods of wrapping and packaging orders. We have procured some labor-saving machinery which has enabled us to handle more orders with greater speed. We have made better utilization of wrapping machines in another division of the Government Printing Office and we have been able to divert many hand operations to machine operations. We have greatly simplified our procedure for distributing publications to depository libraries, and we have been able to divert personnel from this function to our other functions.

Our goal was to absorb the entire \$160,000 cost of the Federal Employees' Pay Act and at the same time handle more work faster and more efficiently. It would have been a matter of great pride with us if we had been able to accomplish this feat, but we were not quite able to do it because of the huge increase in our sales business

and the unusually heavy distribution of farmers' bulletins. We need \$21,500 of the \$160,000 cost of the Federal Employees Pay Act to enable us to finish the year, and we are requesting a supplemental appropriation of this amount.

BASIS FOR SUPPLEMENTAL REQUEST

This request resulted from the Pay Act of 1946 granting a pay increase. We attempted to get through the year without requesting additional funds on that account. As a matter of fact, the 14 percent pay increase amounted to \$160,000, which we attempted to absorb without asking any additional funds. We thought we were going to make the grade until the last minute, but find we cannot quite do it and we will need the sum asked for, \$21,500, to see us through the balance of this fiscal year.

Mr. STEFAN. You have a little over a month to go?

Mr. CROMWELL. Yes, sir.

Mr. STEFAN. What was your original appropriation for 1947 for this item of salaries?

Mr. CROMWELL. The total appropriation was \$1,300,000.

Mr. STEFAN. And you are short \$21,500 to finish out to July 1?

Mr. CROMWELL. That is right.

Mr. STEFAN. How much have you absorbed of the pay increase?

Mr. EASTIN. We absorbed \$138,500 of the pay increase. The pay increase amounted to \$160,000 and we absorbed all of the \$160,000 except \$21,500.

Mr. STEFAN. And practically all of this is for the pay increase?

Mr. CROMWELL. Yes, sir; that is right.

TOTAL OBLIGATIONS TO DATE

Mr. STEFAN. And how much have you obligated up to the present time?

Mr. CROMWELL. What it amounts to is, if we do not get this amount, we will be short about 4 days' pay for our entire force.

Mr. STEFAN. You will be short 4 days' pay?

Mr. CROMWELL. That is right.

Mr. STEFAN. So this amount represents 4 days' pay for the entire department?

Mr. CROMWELL. That is right. It runs about \$5,000 a day.

Mr. STEFAN. Put in the record at this point your obligations up to this time.

Mr. EASTIN. We do not have that figure with us.

Mr. STEFAN. But you can supply it?

Mr. EASTIN. Yes; I think we can. Right up-to-date, on the basis of our present staff, if the whole staff works the rest of the year, we will be \$21,500 short.

Mr. STEFAN. Well, we still want the obligations up-to-date put in the record at this point.

Mr. EASTIN. Yes, sir.

(The information requested is as follows:)

Amount obligated through May 29, 1947, is \$1,211,000.

REASON FOR FAILURE TO ABSORB PAY INCREASES UNDER PUBLIC
LAW 390

Mr. CASE. You expected to be able to absorb all of the Public 390 money?

Mr. CROMWELL. That is right.

Mr. CASE. What is the reason you have not been able to do so?

Mr. CROMWELL. Because the work has increased to such an extent. The first 9 months of this fiscal year our volume of business is 44 percent over the corresponding period of last year.

Mr. CASE. By "volume of business" you mean the requests or orders you have had for publications?

Mr. CROMWELL. Yes; the sales business.

Mr. CASE. Are there any other aspects of your business where there has been an increase?

DISTRIBUTION OF FARMERS' BULLETINS

Mr. CROMWELL. The principal one is our distribution of farmers bulletins, which has been unusually heavy this spring.

Mr. CASE. Could you give the figures on that in a comparative way?

Mr. EASTIN. We distributed an average of about half a million a month during the fiscal year 1946. This year was not an election year and normally the distribution is not as heavy during an off year; but, for some reason or other, we have been flooded with requests from Members of Congress this year to distribute farmers' bulletins.

Mr. CASE. You said normally it was about half a million a month. What was it this year?

Mr. EASTIN. This year it has been running almost as heavy as an election year.

Mr. CASE. I would like to get a comparative figure.

Mr. EASTIN. We do not have a comparative figure with us, but we can supply that for the record.

Mr. CASE. Suppose you let us have that in the record.

Mr. CROMWELL. Yes, sir.

(The information requested is as follows:)

During the peak months, January, February, and March, 1946, an election year, there were 3,958,064 bulletins distributed for Members of Congress. During the same period in 1947, a nonelection year when a much lighter distribution was expected, there were 3,481,886 bulletins distributed. The number of bulletins distributed in 1947 represented an increase of approximately 30 percent over the same period in 1945, the last nonelection year.

AMOUNT OF DIRECT SALES

Mr. CASE. What about direct sales; how have they been running compared with other years?

Mr. CROMWELL. Direct sales are up this year, so far, 44 percent over last year. It is a repetition of the increase year after year and this is the heaviest year we have ever experienced.

Mr. CASE. Could you put that in terms of comparative dollars, too?

Mr. EASTIN. Yes. That is contained in our prepared statement. Actually we expect to turn back to the Treasury from sales receipts more than the entire amount appropriated.

Mr. CASE. Do you customarily do that?

Mr. EASTIN. No. This will be the first time in the history of the Office that we have ever returned more than the entire appropriation.

Mr. CASE. How much more will you return; can you estimate it?

Mr. EASTIN. We estimated we will return \$1,700,000, and our total appropriation is \$1,670,000.

VOLUME OF FARM BULLETINS MAILED

Mr. STEFAN. You stated you are going to have a larger volume of farm bulletins to handle for Members of Congress than you ordinarily have during an election year.

Mr. EASTIN. No.

Mr. STEFAN. Is it always true that in an off year you have had more?

Mr. EASTIN. No. In an off year we do not have and we did not actually anticipate this year as many as we have had.

Mr. STEFAN. My experience up here has been that we deal directly with Agriculture.

Mr. EASTIN. But they send the orders over to us. We do the mailing; Agriculture sends them over to us.

Mr. STEFAN. You mean when I make out a label in my office and send it to Agriculture they send it to you?

Mr. CROMWELL. They send it to us and we do the mailing on those.

Mr. EASTIN. They keep a record of the quotas over there. They transmit the labels to us and we have to draw the publications from stock.

Mr. STEFAN. What does Agriculture do—just make a record of the number?

Mr. CROMWELL. They record how many copies you are getting.

Mr. STEFAN. I thought it was all done in Agriculture.

Mr. EASTIN. No. We do all of it except keeping a record of the quotas.

Mr. STEFAN. All they do is to keep track of the quotas, and when we mark the bulletins they only transmit to you the numbers and you select them?

Mr. EASTIN. We select them and mail them. It has been extremely heavy this year and we had not anticipated it.

HIRING OF ADDITIONAL EMPLOYEES

Mr. STEFAN. Are you going to hire any more people between now and the beginning of the next fiscal year?

Mr. CROMWELL. No, sir.

Mr. EASTIN. We are asking for an increase in our appropriation for the next fiscal year.

Mr. CROMWELL. You mean between now and July 1?

Mr. STEFAN. Surely.

Mr. CROMWELL. Oh, no. We have not added any people since this developed.

Mr. STEFAN. Do you have to have all of this \$21,500?

Mr. CROMWELL. I think we will; yes, sir. We figured awfully close, about as close as we can figure, on that.

Mr. STEFAN. And you are putting on no new people now?

Mr. CROMWELL. No, sir; this is to take care of the people already on the roll.

Mr. STEFAN. And you absolutely have to have every one of them?

Mr. CROMWELL. That is right. Our force is down since this developed, because we have not added any to our roll.

Mr. STEFAN. If there are no further questions, thank you very much, gentlemen.

TUESDAY, JUNE 3, 1947.

WORKING CAPITAL AND CONGRESSIONAL PRINTING AND BINDING

STATEMENTS OF F. E. CRISTOFANE, COMPTROLLER; J. W. VANARSDALL, ASSISTANT COMPTROLLER; D. C. EBERHART, CHIEF EDITOR, FEDERAL REGISTER

SUPPLEMENTAL ESTIMATES FOR 1947

The CHAIRMAN. We have an estimate before us in House Document No. 218 for \$1,175,000 for the Government Printing Office, "Working capital and congressional printing and binding." What have you got to say about that?

Mr. CRISTOFANE. Mr. Chairman, we have submitted a mimeographed statement, which I can read or put in the record, as you wish.

The CHAIRMAN. We will put in the first 2 pages and then you may tell us about it.

(The statement referred to is as follows:)

REVISION OF APPROPRIATION ESTIMATES FOR CONGRESSIONAL PRINTING AND BINDING 1947

Increases in the cost of production since the estimates for the fiscal year 1947 were made in 1945 and increases in the volume of material to be charged to the congressional appropriation for printing and binding in 1947 make it necessary to request additional funds for this fiscal year.

An increase of about 8 percent was made in the pay of employees of the Government Printing Office in October 1945. In July 1946, the pay of part of the employees was increased and in December 1946, the pay of the remainder was increased, aggregating about 19 percent. The cost of paper has increased from about 25 to more than 50 percent since 1945. The effect of these increases is to increase total costs an average of a little over 20 percent in the fiscal year 1947 over 1945 and about 14 percent over 1946.

The charges for printing and binding for Congress in the various categories varies from year to year, depending both on changes in cost of production and the volume of the items that are finally completed during the year. Near the end of the previous Congress considerable legislation was pending for which printing had been done, but for which no charge had been made. When it was determined that this legislation would not be carried over into the next Congress the jobs were closed out, materially increasing the charges over what they would have been normally.

Although costs in 1946 were affected by the pay raise in October 1945, and by the increases in the cost of paper, no additional funds were requested on this account.

The cost of the Federal Register in 1946 exceeded the original limitation by \$54,681.06. Congress increased the limitation by this amount, but no change was made in the appropriation.

Notwithstanding these increases in costs in 1946 it was possible to keep expenditures within the amount available and to avoid requesting a deficiency appropriation by holding down purchases of paper and drawing on paper reserves.

The following tables show the revised and original estimates for 1947 and the charges in 1947 through March 31 compared with the charges in 1946:

Revised estimates for congressional printing and binding, 1947

	Revised estimates, 1947	Original estimates, 1947	Charges 1947 through Mar. 31	Charges, 1946
Congressional Record.....	\$1,250,000	\$900,000	\$588,991.26	\$1,083,677.16
Miscellaneous publications.....	770,000	650,000	708,407.87	585,279.65
Miscellaneous printing and binding.....	520,000	475,200	475,504.23	357,211.01
Publications for international exchange.....	35,000	24,800	29,293.45	18,939.29
Franked envelopes and franks.....	135,000	100,000	113,620.13	119,668.03
Bills, resolutions and amendments.....	500,000	400,000	408,273.22	395,158.82
Committee reports.....	185,000	150,000	169,821.33	174,915.97
Documents.....	230,000	175,000	217,331.27	176,393.59
Hearings.....	1,100,000	725,000	979,587.56	634,075.42
Federal Register.....	525,000	500,000	413,892.85	554,681.06
Supplement to Code of Federal Regulations.....	125,000	100,000	-----	84,115.45
	5,375,000	4,200,000	4,104,723.17	4,184,115.45

REASON FOR INCREASES REQUESTED

The CHAIRMAN. To what extent is this on account of increased costs?

Mr. CRISTOFANE. It is due to increased costs and it is also due to increase in volume of printing and binding. There has been an increase in cost of approximately 20 percent, and then there has been an increase in volume due to the work coming through in larger quantity. In addition to that, we have had other printing and binding charges which were carried over from previous years, these were not closed out until this year. There was no way of estimating just when the work would be closed out.

The amount which we are requesting is to reimburse the Government Printing Office working capital fund for work it has done or is going to do for the remainder of this fiscal year, for Congress, the Federal Register and the supplement to the Code of Federal Regulations.

The CHAIRMAN. Have you anything in the nature of a month-by-month break-down of these charges?

Mr. CRISTOFANE. No, sir; but I could furnish that.

The CHAIRMAN. I believe I should like to have that. Give us a picture of what have been the month-by-month charges.

Mr. CRISTOFANE. For each one of the items listed?

The CHAIRMAN. Yes.

Mr. CRISTOFANE. Very well, sir.

(The information follows:)

Charges to Congress, by months, for 11 months of fiscal year 1947 (July 1, 1946, to May 31, 1947)

	July	August	September	October	November	December
Congressional Record.....	\$158,256.12	\$36,030.49	\$6,055.17	-----	-----	\$131,378.50
Miscellaneous publications....	95,179.54	83,203.26	66,678.42	\$69,847.87	\$45,408.30	69,694.66
Miscellaneous printing and binding.....	74,357.01	22,505.98	31,366.95	41,995.28	68,203.07	42,945.12
Publications for international exchange.....	2,195.70	1,567.52	1,851.48	1,656.47	2,577.16	4,570.94
Franked envelopes and franks. Bills, resolutions, and amendments.....	14,679.07	12,716.92	16,503.82	11,458.62	16,277.30	5,718.85
Committee reports.....	126,588.63	75,608.50	780.14	492.85	25.69	85.92
Documents.....	65,608.04	40,561.23	2,635.75	1,546.86	3,047.06	7,829.92
Hearings.....	48,895.20	15,940.99	11,022.75	19,412.43	17,182.20	17,837.63
Federal Register.....	161,010.30	65,678.46	53,642.55	28,207.39	55,672.40	269,163.02
Supplement to Code of Federal Regulations.....	35,725.51	48,175.60	81,969.16	71,271.88	43,445.81	29,040.29
Total.....	782,495.12	401,988.95	272,506.19	245,889.65	251,838.99	578,264.85

	January	February	March	April	May	Total
Congressional Record.....	\$66,143.16	\$77,376.43	\$113,751.39	\$381,590.77	\$130,737.56	\$1,101,319.59
Miscellaneous publications....	95,670.44	107,447.42	75,277.96	54,508.00	45,525.96	808,441.83
Miscellaneous printing and binding.....	82,725.84	59,434.91	51,970.07	26,830.32	27,015.00	529,349.55
Publications for international exchange.....	5,063.87	5,386.50	4,423.81	1,310.50	1,106.36	31,710.31
Franked envelopes and franks. Bills, resolutions, and amendments.....	13,347.55	10,645.81	12,272.19	5,850.00	4,709.54	124,179.67
Committee reports.....	35,381.85	118,014.49	51,295.15	30,080.40	19,046.15	457,399.77
Documents.....	8,007.36	25,868.80	14,716.31	10,623.69	8,208.18	188,653.20
Hearings.....	45,176.67	26,419.96	15,443.44	21,640.36	16,152.40	255,124.03
Federal Register.....	83,383.35	110,133.79	152,696.30	11,505.50	10,104.13	1,001,197.19
Supplement to Code of Federal Regulations.....	33,201.48	41,787.53	29,275.59	31,317.43	31,481.81	476,692.09
Total.....	468,101.57	582,515.64	521,122.21	575,256.97	294,087.09	4,974,067.23

CURRENT OBLIGATIONS

The CHAIRMAN. How much have the obligations run down to the 1st of June? Are you able to tell us that?

Mr. CRISTOFANE. Yes, sir; we have \$4,974,067.23.

The CHAIRMAN. For 2 months that would be \$870,000 or \$435,000 a month. Do you get as much in the month of June as in other months, generally?

Mr. CRISTOFANE. No, sir. Due to the fact that we had some carry-over from the previous year; the balance for the rest of this fiscal year is figured on the basis of the Federal Register for June running around \$48,309.71 and the supplement to the Code of Federal Regulations to be charged during that month for all the work completed during the fiscal year would be \$125,000. We figure the Congressional Record for June to be \$150,000, making a total of approximately \$323,000, leaving only about \$77,000 for the remainder of those items which are on this list. These items include all of the other listed printing and binding items.

The CHAIRMAN. You get money back for these franked envelopes, do you not?

Mr. CRISTOFANE. No, sir; they are the free-franked envelopes.

INCREASE IN LABOR AND PAPER COSTS

Mr. SHEPPARD. There is one thing in your statement that confuses me a little, gentlemen. I notice that your figures are as follows: You show an increase in your pay of approximately 19 percent and you show an increase in your paper cost of from 25 percent to 50 percent, which if split would be 37½ percent. If you take your 19 percent increase and your 37½ percent increase, that would indicate an increase of 56½ percent and yet in your statement you show an over-all increase of 20 percent. How do you reconcile those figures?

Mr. CRISTOFANE. They are not in the same proportion. The labor charge is not in the same proportion as the paper.

Mr. SHEPPARD. Is it literally 19 percent?

Mr. CRISTOFANE. Yes, sir; 19 percent for labor.

Mr. SHEPPARD. That is an increase?

Mr. CRISTOFANE. That is an increase.

Mr. SHEPPARD. And then you show an increase from a 25-percent floor to a 50-percent ceiling on paper cost which, if split, would be 37½ percent increase in cost. I think it is fair to split between the floor and the ceiling to arrive at a reasonable average. If you have a 19-percent increase in your labor and a 37½ percent increase as shown by your figures to date, in paper, that would be 57½ percent total increase as against your statement of a 20-percent increase. I am trying to have those figures jibe in my mind and it is difficult for me to do so.

Mr. VANARSDALL. The increase in the labor charge applies to about 85 percent of the total charges. The paper increase applies to about 15 percent of the total charges, so that the average increase would be less than 37½ percent.

Mr. SHEPPARD. In other words, your 85 percent that is reflected in your labor cost and 15 percent in your paper cost is what gives you a base of 20 percent across the board?

Mr. VANARSDALL. Yes.

Mr. SHEPPARD. That clarifies that. I have no further questions.

Mr. KEEFE. It is obvious from your justification that in the fiscal year 1946, when you were confronted with increased pay costs as well as increases in cost of production of paper, and so on, you were able to absorb those out of a utilization of excess inventory; is that right?

Mr. CRISTOFANE. No, sir; not exactly.

Mr. KEEFE. Is not that what you say in this statement?

Mr. CRISTOFANE. We have a working capital of \$20,000,000 which is used to pay for the cost of the work in process and we do not bill until after the job is finished. That is what happened in 1947.

Mr. KEEFE. You say in your justifications:

Notwithstanding these increases in costs in 1946 it was possible to keep expenditures within the amount available and to avoid requesting a deficiency appropriation by holding down purchases of paper and drawing on paper reserves.

Is not that exactly what I said a moment ago, that that is what you give as a justification for not asking for a deficiency in 1946?

Mr. CRISTOFANE. Yes, sir.

Mr. KEEFE. Well, is that correct or is it not?

Mr. CRISTOFANE. That is correct, with the additional explanation that I just furnished.

Mr. KEEFE. You are not faced with that situation now so far as the fiscal year 1947 is concerned?

Mr. CRISTOFANE. That is right, because the jobs got closed out in this year that we had the expenses for last year.

Mr. KEEFE. Of course, I have not had time in this brief moment to go through these justifications but, by and large, what is the justification for this deficiency for the fiscal year 1947? Is it based upon increased costs of material and labor?

Mr. CRISTOFANE. It is based on two things; increased cost of material and labor, and increase in the volume of work charged against the printing and binding appropriation for Congress, due to the fact that work was closed out this year. There has been an increase in labor of 19 percent and there has been an increase in paper costs from 25 to more than 50 percent. In addition to that there has been an increase in the volume of printing and binding work produced in this fiscal year.

INCREASE IN COST OF CONGRESSIONAL RECORD

Mr. KEEFE. You have a considerable increase in the Congressional Record; that is an increase in number of pages, is that right?

Mr. CRISTOFANE. Yes, sir. That is an increase in the cost of the Record. The cost of the Record went up to \$71 a page.

Mr. KEEFE. You are estimating here \$1,250,000 as the cost of printing the Congressional Record total for the fiscal year 1947?

Mr. CRISTOFANE. Yes, sir.

Mr. KEEFE. And you have estimated a total for all editions of the Congressional Record in the fiscal year 1947 through March at \$588,991.26?

Mr. CRISTOFANE. Yes, sir.

Mr. VANARSDALL. Since then we have charged up the bound Congressional Record for the previous session, closed in August, and that, with the charges through the May issues of the Record bring that up to \$1,101,319.59. That is through May. Then we have the June Record to follow. We estimate that the June Record will amount to about \$150,000.

MISCELLANEOUS PUBLICATIONS

Mr. KEEFE. What is included under the designation "Miscellaneous publications, \$770,000"? And then you have "Miscellaneous printing and binding, \$520,000". What is the difference between those two?

Mr. VANARSDALL. Miscellaneous publications covers such printed matter as the Congressional Directory, Senate and House Journals, memorial addresses, congressional committee calendars, nominations, and publications not carrying a document number such as laws, treaties, and similar printed matter.

Miscellaneous printing and binding includes letterheads, envelopes, blank paper, copy paper, notices, tags, labels, pay rolls, blank books, stenographic notebooks, maps, and miscellaneous printing and binding.

PUBLICATIONS FOR INTERNATIONAL EXCHANGE

Mr. KEEFE. What is contemplated by "Publications for international exchange"?

Mr. VANARSDALL. There is an international agreement between governments to exchange publications and this is to provide for the

payment for those publications that we furnish to foreign governments.

Mr. KEEFE. Are those exchange publications relating to the legislative branch of the Government?

Mr. VANARSDELL. Any Government publication that is exchanged with other governments, if they exchange with us.

Mr. KEEFE. And that is charged to this for the congressional printing and binding appropriation?

Mr. VANARSDELL. Yes, sir.

Mr. CRISTOFANE. That is provided by law, sir, through the Library of Congress.

Mr. KEEFE. That is all.

The CHAIRMAN. Thank you, gentlemen.

THURSDAY, MAY 29, 1947.

POST OFFICE DEPARTMENT

BUREAU OF SECOND ASSISTANT POSTMASTER GENERAL

STATEMENTS OF R. S. BURGESS, DEPUTY SECOND ASSISTANT POSTMASTER GENERAL IN CHARGE OF AIR POSTAL TRANSPORT; A. C. HAHN, DIRECTOR OF BUDGET AND ACCOUNTING, OFFICE OF SECOND ASSISTANT POSTMASTER GENERAL; A. B. STROM, COMMISSIONER OF THE BUDGET, POST OFFICE DEPARTMENT; ALSO, WARNER H. HORD, CHIEF, ACCOUNTING AND RATES DIVISION, CIVIL AERONAUTICS BOARD, AND HARDY K. MACLAY, ASSISTANT GENERAL COUNSEL, FINANCE DIVISION, CIVIL AERONAUTICS BOARD

FOREIGN AIR MAIL TRANSPORTATION

The CHAIRMAN. We have before us this afternoon an item appearing in House Document No. 243. I do not know whether you have seen this document or not. It relates, as I understand it, to the foreign air mail service.

SCHEDULE OF DEFICIENCY AND SUPPLEMENTAL ESTIMATES OF APPROPRIATIONS 1945, 1946, AND 1947

We will insert in the record at this point page 1 of the justifications. (The matter referred to follows:)

Schedule of deficiency and supplemental estimates of appropriations, fiscal years 1945, 1946, and 1947 (as of May 13, 1947)

Field service:

Office of the Second Assistant Postmaster General:

Fiscal year 1945: Foreign air mail transportation 1945----- \$3, 919, 000

Fiscal year 1946: Foreign air mail transportation, 1946----- 8, 196, 000

Fiscal year 1947:

Foreign air mail transportation, 1947... \$21, 262, 000

Available for transfer from:

Domestic Air Mail Service, 1947... — 5, 972, 000

Electric Car Service, 1947----- — 5, 000

15, 285, 000

Net requirements, 1945, 1946, and 1947----- 27, 400, 000

ESTABLISHMENT OF RATES

The CHAIRMAN. I want to find out, as far as I can, the status of the fixing of rates by the Civil Aeronautics Board.

Mr. MACLAY. Insofar as the figures are concerned, Mr. Hord will have to testify about them.

Mr. STEFAN. Are you from the Civil Aeronautics Board?

Mr. MACLAY. Yes.

The CHAIRMAN. Have you held hearings on rates and rendered a decision?

Mr. HORD. Are you talking now of the international carriers?

The CHAIRMAN. Yes. What companies are involved, Mr. Strom?

Mr. STROM. Mr. Burgess will probably have to identify the companies.

Mr. HORD. I can give you any of the companies in the international field.

Mr. CHAIRMAN. That is just what we want.

FOREIGN AIR MAIL TRANSPORTATION, 1945

We will insert in the record page 3 of the justification.
(The matter referred to follows:)

Foreign air mail transportation, 1945

Annual Appropriation Act, 1945, Public Law 293-----	\$3, 785, 000
Estimated obligations-----	7, 704, 000
Estimated deficiency-----	3, 919, 000

Analysis of deficiency

Item	Apportionment of appropriation	Revised estimate, Apr. 15, 1947	Increase (+) or decrease (-)
03 Transportation of things:			
Route 1. New York to Montreal-----	\$135, 402	\$134, 082	-\$1, 320
Route 5. New York, Miami, Brownsville, New Orleans to east coast South America, Central America and West Indies-----	1, 763, 707	2, 766, 000	+1, 002, 293
Route 9. Balboa to Buenos Aires-----	1, 811, 889	1, 130, 904	-680, 985
Route 18. New York to Europe and Africa-----		1, 065, 000	+1, 065, 000
Route 20. Seattle to Fairbanks-----		1, 670, 000	+1, 670, 000
Route 21. Bangor to Moncton-----	55, 065	65, 770	+10, 705
Route 22. Miami to Leopoldville-----		450, 000	+450, 000
Route 24. New York to Europe-----		243, 000	+243, 000
Route 26. Fort Worth, El Paso to Mexico City-----	15, 937	26, 244	+10, 307
Service on military planes-----		-150, 000	+150, 000
Handling charge, Canal Zone-----	3, 000	-3, 000	-----
Total appropriation or estimate-----	3, 785, 000	7, 704, 000	+3, 919, 000

STATUS OF RATES

The CHAIRMAN. We have an analysis here of the estimates for 1945, and route No. 5 shows that there is a probable deficiency of \$1,002,293; is that right?

Mr. BURGESS. That route is Pan American Airways, South American Service.

The Chairman. Was that figure, \$1,002,293, determined by the Board?

Mr. BURGESS. The rate has not yet been set.

The CHAIRMAN. Has not been set. How about the rate for route 9, Balboa to Buenos Aires?

Mr. BURGESS. The same thing.

The CHAIRMAN. The rate has not been set?

Mr. BURGESS. No.

The CHAIRMAN. Next is route 18, New York to Europe and Africa—no apportionment, and a probable deficiency \$1,065,000 increase.

Mr. BURGESS. Also Pan American. Nothing was paid on that in 1945.

The CHAIRMAN. Nothing has yet been paid?

Mr. BURGESS. That is correct.

The CHAIRMAN. There are no funds in the appropriation to cover it; is that right?

Mr. BURGESS. That is right.

The CHAIRMAN. Has that been determined by the Board?

Mr. HORD. That is in process of determination by the Board and will probably be issued in 10 days or 2 weeks.

The CHAIRMAN. Next is route 20, Seattle to Fairbanks—no apportionment and a probable deficiency of \$1,670,000. What is the status of that?

Mr. HORD. I assume that is Pan American also.

The CHAIRMAN. Is that right?

Mr. BURGESS. That is correct.

The CHAIRMAN. What is the status of that route?

Mr. HORD. Almost exactly the same status as the others.

The CHAIRMAN. What is the status of route 22, Miami to Leopoldville?

Mr. HORD. The same.

The CHAIRMAN. Next is route 24, New York to Europe—no apportionment and a probable deficiency of \$243,000. That is also Pan American?

Mr. BURGESS. That is correct.

The CHAIRMAN. What is the status of that?

Mr. HORD. It is in draft form, and it is a matter of the action for issuing it. It will be within 10 days to two weeks. All of this group actually constitutes one proceeding in that they are being handled simultaneously by the Board, and all should be issued at the same time.

BASIS OF ESTIMATES

The CHAIRMAN. Is there any way we can tell about how much the deficiencies ought to be?

Mr. HORD. The estimates that we gave to the Post Office previously, I would say, are approximately accurate.

The CHAIRMAN. Are these estimates that you have given to the Post Office Department the figures that we have been given here?

Mr. HORD. They would have to determine that because I am not familiar with this particular set-up.

The CHAIRMAN. Are they?

Mr. BURGESS. Yes. Our estimate was based upon the letter from the Civil Aeronautics Board stating what the estimated amounts would be, from which we deducted the amounts already paid, or in that appropriation for that year, leaving the increase or the decrease for 1945.

The CHAIRMAN. Those figures are all in there in that page?

Mr. BURGESS. That is correct, for 1945.

Mr. STEFAN. Are all of these Pan American?

The CHAIRMAN. All Pan American, except one little item above, which is Colonial.

Mr. BURGESS. That is right.

FOREIGN AIR MAIL TRANSPORTATION, 1946

The CHAIRMAN. At this point in the record we will insert page 9, of the justifications.

(The matter referred to is as follows:)

Foreign air-mail transportation, 1946

Annual appropriation act, 1946, Public Law 38-----	\$4, 836, 000
Estimated obligations-----	13, 032, 000
Estimated deficiency-----	8, 196, 000

Analysis of deficiency

Item	Apportionment of appropriation	Revised estimate April 15, 1947	Increase (+) or decrease (-)
03 Transportation of things:			
Route 1. New York to Montreal-----	\$148, 953	\$97, 805	-\$51, 148
Route 5. Miami-Brownsville-New Orleans to east coast South America, Central America, and West Indies-----	2, 069, 521	1, 679, 998	-389, 523
Route 9. Balboa to Buenos Aires-----	1, 170, 226	1, 160, 985	-9, 241
Route 14-19. San Francisco-Los Angeles via Honolulu to Manila and Auckland-----		2, 574, 000	+2, 574, 000
Route 18. New York to Europe and Africa-----	350, 000	3, 035, 150	+2, 685, 150
Route 20. Seattle to Fairbanks-----	639, 530	2, 047, 647	+1, 398, 117
Route 21. Bangor to Moncton-----	107, 833	26, 124	-81, 709
Route 24. New York to Europe-----	331, 000	465, 184	+134, 184
Route 26. Fort Worth-El Paso to Mexico City-----	15, 937	19, 920	+3, 983
Route 27. New York to Europe and Africa-----		1, 582, 187	+1, 582, 187
Service on military planes-----		350, 000	+350, 000
Handling charge, Canal Zone-----	3, 000	3, 000	
Total appropriation or estimate-----	4, 836, 000	13, 032, 000	+8, 196, 000

The CHAIRMAN. Now we will turn to page 9. There, Mr. Burgess, you are asking for \$8,196,000, and that is the estimated 1946 bill.

Mr. BURGESS. That is correct.

The CHAIRMAN. Have you made any payments on any of these items except what shows here as the apportionment of appropriation?

Mr. BURGESS. Yes.

The CHAIRMAN. With reference to the Pan-American routes?

Mr. BURGESS. Yes.

The CHAIRMAN. There is a Honolulu to Manila and Auckland route. Is that also Pan American?

Mr. BURGESS. Yes. I might say that route 24, which was mentioned in 1945 and 1946, is American Overseas, not Pan American, and route 26, 1946, is American Airlines.

The CHAIRMAN. That New York to Europe to Africa, 27, is Pan American, is it not?

Mr. BURGESS. TWA.

The CHAIRMAN. Is there a rate fixed on that?

Mr. HORD. There is a temporary rate in effect.

Mr. BURGESS. We have been paying on these trans-Atlantic routes on temporary rates.

FOREIGN AIR MAIL TRANSPORTATION, 1947

The CHAIRMAN. We will insert page 15 of the justification in the record at this point.

(The matter referred to follows:)

Foreign air mail transportation, 1947

Annual appropriation act, 1947, Public Law 518-----	\$5, 000, 000
Add: Pending deficiency, H. R. 2849-----	1, 000, 000
Total amount appropriated and pending-----	6, 000, 000
Estimated obligations-----	27, 262, 000
Estimated deficiency-----	21, 262, 000

Analysis of deficiency

Item	Apportionment of appropriation	Revised estimate Apr. 15, 1947	Increase (+) or decrease (-)
03 Transportation of things:			
Route 1. New York to Montreal-----	\$147, 749		-\$147, 749
Route 5. New York-Miami-Brownsville-New Orleans to East Coast South America, Central America and West Indies-----	2, 164, 334	\$1, 779, 963	-384, 371
Route 9. Balboa to Buenos Aires-----	1, 144, 269	1, 169, 533	+25, 264
Route 14-19. San Francisco-Los Angeles via Honolulu to Manila and Australia-----		9, 298, 000	+9, 298, 000
Route 18. New York to Europe and Africa-----	245, 550	6, 440, 000	+6, 194, 450
Route 20. Seattle to Fairbanks-----	726, 677	1, 754, 000	+1, 027, 323
Route 21. Bangor to Moneton-----	45, 318		-45, 318
Route 24. New York to Europe-----	187, 672	743, 236	+555, 564
Route 26. Fort Worth-El Paso-Mexico City-----	35, 431	20, 925	-14, 506
Route 27. New York to Europe and Africa-----		5, 389, 000	+5, 389, 000
Route 28. Seattle-Minneapolis-Alaska-----		217, 643	+217, 643
Route 29. Miami-San Juan-----		5, 900	+5, 900
Route 31. New Orleans-Habana-----		289, 000	+289, 000
Route 32. Miami-Tampa-Habana-----		1, 800	+1, 800
Service on military planes-----	300, 000	150, 000	-150, 000
Handling charge, Canal Zone-----	3, 000	3, 000	
Total obligations-----	5, 000, 000	27, 262, 000	+22, 262, 000
Deduct pending deficiency, H. R. 2849-----		1, 000, 000	1, 000, 000
Total appropriation or estimate-----	5, 000, 000	26, 262, 000	21, 262, 000

The CHAIRMAN. These figures in the justifications represent what—the decision that you expect to hand down as soon as the mechanical end of things is completed?

Mr. HORD. Those decisions that I referred to a moment ago apply to 1945 only; not 1946. Temporary rates have already been established in 1946.

The CHAIRMAN. Do these figures in the justifications represent a temporary rate?

Mr. HORD. That is the estimate that we gave the Post Office Department. I would not be able to state specifically with respect to these figures.

The CHAIRMAN. Do you have that letter?

Mr. BURGESS. Yes, and the Board's estimate.

ESTIMATED FOREIGN AIR MAIL TRANSPORTATION PAYMENTS, 1944-47

The CHAIRMAN. The letter and the estimates will be incorporated in the record at this point.

(The papers referred to are as follows:)

American-flag carriers—Estimated mail payment for fiscal years 1944 through 1947 based upon final and temporary rates anticipated to be established prior to June 30, 1947, and upon rates currently in effect

Fiscal year and period	Carrier and operation	F. A. M. route No.	Effec- tive rate	Esti- mated rate	Total estimated compensation under antici- pated and effective rates	Estimated compensation under pres- ently effec- tive rates	Estimated additional compensation resulting from imminent Board action
FINAL RATES							
1944—July 1, 1943–June 30, 1944	P. A. A., Latin-American operation.	5	\$0.1332	\$0.15	\$2,093,823	\$1,914,164	\$179,659
July 1, 1943–June 30, 1944	Panagra	9	.5077		1,126,454	1,126,454	
Total for fiscal year 1944					3,220,277	3,040,618	179,659
1945—Aug. 1, 1944–June 30, 1945	P. A. A., Alaska operation	20		1.00	1,670,000		1,670,000
Jan. 1, 1945–June 30, 1945	P. A. A., Atlantic operation	18		1.75	1,065,000		1,065,000
July 1, 1944–June 30, 1945	P. A. A., Latin-American operation	5	.1332	.15	2,766,000	1,765,833	1,000,167
Sept. 21, 1944–Jan. 8, 1945	P. A. A., Leopoldville operation	22		4.11	450,000		450,000
Jan. 1, 1945–June 30, 1945	American overseas	24		1.75	243,000		243,000
July 1, 1944–June 30, 1945	Panagra	9	.3167		1,125,262	1,125,262	
Total for fiscal year 1945					7,319,262	2,891,095	4,428,167
1946—July 1, 1945–Dec. 31, 1945	P. A. A., Alaska operation	20		1.00	1,189,647		1,189,647
July 1, 1945–Dec. 31, 1945	P. A. A., Atlantic operation	18		1.75	401,000		401,000
July 1, 1945–June 30, 1946	P. A. A., Latin-American operation	5	.1332		1,679,998	1,679,998	
July 1, 1945–Dec. 31, 1945	American overseas	24		1.75	283,000		283,000
July 1, 1945–June 30, 1946	Panagra	9	.3167		1,160,985	1,160,985	
Total for fiscal year 1946					4,714,630	2,840,983	1,873,647
1947—July 1, 1946–June 30, 1947	P. A. A., Latin American operation	5	.1332		1,780,000	1,780,000	
July 1, 1946–June 30, 1947	Panagra	9	.3167		1,181,428	1,181,428	
Total for fiscal year 1947					2,961,428	2,961,428	
TEMPORARY RATES							
1946—Jan. 1, 1946–June 30, 1946	P. A. A., Alaska operation	20		.70	848,000		848,000
Jan. 1, 1946–June 30, 1946	P. A. A., Atlantic operation	18		1.00	2,634,150	218,238	2,415,912
Nov. 16, 1945–June 30, 1946	P. A. A., Pacific operation	14-19	1.85	2.00	2,574,000	333,332	2,240,668
Feb. 5, 1946–June 30, 1946	TWA	27	1.75	1.00	1,552,187	478,273	1,073,914
Jan. 1, 1946–June 30, 1946	American overseas	24	1.75		182,184	182,184	
Total for fiscal year 1946					7,790,521	1,212,027	6,578,494

¹ Rate per mail ton-mile; all other rates are rates per mile.

American-flag carriers—Estimated mail payment for fiscal years 1944 through 1947 based upon final and temporary rates anticipated to be established prior to June 30, 1947, and upon rates currently in effect—Continued

Fiscal year and period	Carrier and operation	FAM route No.	Effec- tive rate	Esti- mated rate	Total estimated compensation under antie- paced and effective rates	Estimated compensation under pres- ently effec- tive rates	Estimated additional compensation resulting from imminent Board action
TEMPORARY RATES—continued							
1947—July 1, 1946–June 30, 1947	PAA, Alaska operation	20	1.80, 75	\$0.70	\$1,754,000	---	\$1,754,000
July 1, 1946–June 30, 1947	PAA, Atlantic operation	18	1.85	.94	6,440,000	\$350,161	6,089,839
July 1, 1946–June 30, 1947	PAA, Pacific operation	14–19	1.85	1.56	9,298,000	688,044	8,609,956
Nov. 1, 1946–June 30, 1947	Chicago and Southern	31	---	.95	289,000	---	289,000
July 1, 1946–June 30, 1947	TWA	27	1.75	1.00	5,389,000	1,311,138	4,077,862
July 1, 1946–June 30, 1947	American overseas	24	1.75	---	743,236	743,236	---
Sept. 1, 1946–June 30, 1947	Northwest	28	1.85	---	217,643	217,643	---
Total for fiscal year 1947	---	---	---	---	24,130,879	3,310,222	20,820,657
Estimated total mail payments, fiscal years 1944–47	---	---	---	---	50,136,997	16,256,373	33,880,624

¹ Rate per mail ton-mile; all other rates are rates per mile.

CIVIL AERONAUTICS BOARD,
Washington 25, April 11, 1947.

HON. ROBERT E. HANNEGAN,
Postmaster General, Washington 25, D. C.

DEAR MR. HANNEGAN: Reference is made to the conference held on March 13, 1947, between representatives of the Post Office Department and this Board at which it was agreed that the Board would supply the Post Office with advance estimates of the effect of imminent mail-rate action on postal appropriations required to cover payments for foreign air mail transportation now being performed by American-flag carriers.

This letter presents the estimated increases in mail pay to American-flag carriers during the fiscal years 1944, 1945, 1946, and 1947 which will result from mail-rate actions now imminent. These increases apply to services for which final rates of mail compensation have not yet been established and for which deficiency appropriations are being considered at this time. It is anticipated that, during the next 2 or 3 months, final and temporary mail rates will be established which, together with presently effective mail rates for which imminent changes are not anticipated, will require total payments through the fiscal year 1947 of approximately \$50,136,997. Of this amount, \$16,256,373 represents payments arising from presently effective rates. The remainder of \$33,880,624 represents total additional payments which it is estimated will arise from imminent Board actions with respect to adjustments of existing rates for which payments in part may already have been made, or the establishment of rates for services for which no rates have heretofore been fixed.

In order to assist your Department in preparing its appropriation requests, there is forwarded with this letter a statement indicating by fiscal years, by carriers, and by routes, the gross amount of mail compensation which at this time it is estimated will be applicable under the final and temporary rate actions contemplated before the close of the current fiscal year.

It should be recognized that practically all certificated international air services now being performed have either been resumed after an extended period of suspension during the war or have been certificated and inaugurated for the first time since the war. Consequently no mail rates were in effect on these services when they were resumed or first inaugurated. In the absence of a sound basis for expeditiously fixing permanent mail rates and in view of the relative importance of mail as a source of revenue to these carriers the Board has adopted the policy of issuing temporary mail rates to provide a basis for making prompt mail payments and to prevent undue dissipation of the carriers' working capital. The mail rate actions contemplated within the next 2 or 3 months will fix permanent rates for all services performed prior to the calendar year 1946 and temporary rates subsequent to that time for all but two operations for which permanent rates will have been established. It is probable that the contemplated temporary rates will be somewhat less than the permanent rates which ultimately will be required.

Early payments to the carriers under the temporary rates thus established will, of course, be dependent in part upon early action by the Congress in appropriating funds to meet these payments. It would seem that the appropriations by the Congress could be expedited if the Post Office Department used estimates of the government liability from imminent mail rate actions by the Board to support its requests for funds rather than waiting until after the Board has established the rates. Unless these appropriation requests are initiated as soon as possible, it is anticipated that excessive delays will result in effective payments to the carriers, thus depriving them of important revenue to which they are immediately entitled and which they need for their operations. Although this procedure departs somewhat from the normal practice of basing appropriation requests upon mail rate actions already taken by the Board, it is believed that the present situation requires the immediate action recommended.

It is hoped that this letter is sufficiently specific to be helpful to your department in preparing its recommendations for appropriations to cover payments for foreign air mail transportation pursuant to rates which are expected to be established within the near future. We shall be glad to submit any further information which may be desired relative to the need for taking the action recommended.

Sincerely yours,

JAMES M. LANDIS, *Chairman.*

Mr. GARY. This table apparently indicates that there is estimated additional compensation resulting from imminent Board action of \$33,880,624. The request is for only \$27,400,000.

The CHAIRMAN. That is correct. The request is for \$27,400,000.

The temporary rates in effect, which show \$16,246,373, and you figure those rates are covered already by the appropriations already made?

Mr. STROM. There is not sufficient money in appropriations, as I recall, to cover it.

Mr. BURGESS. We received for the fiscal years 1945, 1946, and 1947 only a token appropriation in the absence of a permanent rate, and in the absence of temporary rates, in some instances.

REASONS FOR DELAY IN SETTING RATES

The CHAIRMAN. Why does it take so long to get these rates set?

Mr. HORD. One of the reasons is that these operations, in nearly every instance, are either new or have resumed since the war terminated, and as a consequence there has been no experience at all on which to base a rate.

Also, it takes some time procedurally after experience is available to establish rates. There were no rates carried over from the prewar period except in the case of Panagra and Pan American's Latin-American division.

RECONCILIATION OF POST OFFICE DEPARTMENT ESTIMATES WITH CIVIL AERONAUTICS BOARD'S ESTIMATES, 1945, 1946, AND 1947

The CHAIRMAN. The budget did not allow you within \$16,000,000 of the amount that is going to be required to meet this picture; is that correct?

Mr. BURGESS. The budget estimate, I believe, totals \$27,400,000.

The CHAIRMAN. Your total charges require \$50,136,997, according to this letter; is that right?

Mr. HORD. That is right, based on the estimates.

The CHAIRMAN. It is stated here that there would be estimated compensation under presently effective rates of \$16,256,373.

Now, has that \$16,256,373 been made available, and if so, what part of it, because I want to get this letter reconciled with the estimate.

Mr. HAHN. In 1945 our appropriation was \$3,785,000. In 1946 the appropriation is \$4,836,000. For 1947 funds so far appropriated amount to \$6,000,000. The sum of those three is \$14,621,000.

The CHAIRMAN. Is there a deficiency hanging of \$1,000,000.

Mr. STROM. That has been approved.

The CHAIRMAN. That leaves you a balance of what?

Mr. HAHN. \$33,377,000. We estimate our total obligations for the 3 years at \$47,998,000.

The CHAIRMAN. Off the record.

(Discussion off the record.)

The CHAIRMAN. What did you say the total was, a moment ago?

Mr. HAHN. \$14,621,000.

The CHAIRMAN. That leaves a balance of \$33,295,720; is that right?

Mr. HAHN. There are some other items not included in this letter that we have set forth in our justifications. For example, the service on military planes. We will not balance exactly with the letter.

The CHAIRMAN. The other items outside the letter are what? For 1945 what will they be?

Mr. HAHN. Service on military planes, \$150,000; handling charges for mail at the Canal Zone, \$3,000.

The CHAIRMAN. Is that all?

Mr. HAHN. And we have an offsetting item, then—a minus item.

The CHAIRMAN. Two items, I believe. One is for \$1,320 and the other is for \$680,985. That means for '45 funds you have a net offsetting item of \$529,305.

Mr. HAHN. That is correct.

The CHAIRMAN. And the charge for that year that has not been met is what?

Mr. HAHN. \$3,919,000. The total obligations item is \$7,704,000.

The CHAIRMAN. You offset against that—

Mr. HAHN. The appropriated fund of \$3,785,000.

The CHAIRMAN. Leaving a balance of \$3,919,000?

Mr. HAHN. Yes.

The CHAIRMAN. The next one is 1946, and you have there a charge for these particular routes of \$10,751,949; is that right?

Mr. HAHN. I believe it is more. We have two items in the letter there.

The CHAIRMAN. The two items in 1946 are \$2,961,428 and \$7,790,000. The total is \$10,751,949.

Mr. BURGESS. \$4,714,630 for 1946 and then you drop on down to the \$7,790,521, and adding the two together—

Mr. HAHN. \$12,505,151.

The CHAIRMAN. And you have offsets against that of how much?

Mr. HAHN. \$350,000 for service on military planes, and an add item, and we had \$3,000 for the handling charges in the Canal Zone, and then we have deductions of \$531,621.

The CHAIRMAN. Leaving \$12,326,530—you deduct \$531,621 from \$12,858,151, which leaves \$12,326,530, and you have some deductions to take out of that?

Mr. HAHN. We have to add \$352,000 to that for these services on military planes.

The CHAIRMAN. That has already been added in to make the \$12,858,151. We subtract \$131,621 from that figure, which leaves \$12,325,530, and you have amounts of your payment that have been made already to deduct from that. How much are they?

Mr. HAHN. I have two figures here, \$13,032,000 as our total estimated obligations, and against that we have \$4,836,000 appropriation, leaving a balance of \$8,196,000, which is the amount of this request.

I might say that there are some routes in addition here that are not included in this sheet.

Mr. CHAIRMAN. There are some routes not included in this letter, do you mean?

Mr. HAHN. That is correct; Fort Worth to Mexico City, route 26.

The CHAIRMAN. And you have \$8,196,000 to make that situation square away; is that it?

Mr. HAHN. Yes.

The CHAIRMAN. Now, in the year '47 you have a charge of \$24,130,879 in this letter, and \$2,961,428; is that right?

Mr. HAHN. Yes.

The CHAIRMAN. That makes a total of \$27,092,307. You have funds appropriated, appearing on page 15 of the justifications, of \$6,000,000.

Mr. HAHN. We have \$6,000,000 now; yes.

The CHAIRMAN. Then you have a few credits on some of these routes.

Mr. HAHN. Yes.

The CHAIRMAN. And a few extra charges, and you get out with a balance of \$21,262,000; is that right?

Mr. HAHN. That is right.

The CHAIRMAN. Of which you have a possible transfer of \$5,977,000 from domestic air mail and \$5,000 from the electric car service?

Mr. HAHN. Yes.

The CHAIRMAN. Do you have any other funds that could be transferred in there?

Mr. HAHN. No, sir.

ESTABLISHMENT OF PERMANENT RATES

Mr. STEFAN. When do you anticipate final decision on all of those routes?

Mr. HORD. Through the fiscal year 1947?

Mr. STEFAN. Yes.

Mr. HORD. It is impossible now to say.

Mr. STEFAN. You said something about 10 days on most of them.

Mr. HORD. On 1945; that applied only to 1945.

Mr. STEFAN. How about the backlog in '46?

Mr. HORD. 1946 is set up on the basis of temporary rates at the present time, and it will be quite some time before a final decision can be issued there. The hearings have not yet been held.

Mr. STEFAN. Have you done anything in 1947 at all?

Mr. HORD. Not with respect to permanent rates.

Mr. STEFAN. So your backlog is still in 1945?

Mr. HORD. 1945 is the cut-off for all of the opinions which are currently being prepared for issuance, and temporary rates apply to the period—

Mr. STEFAN. When Dean Landis was before us he said that they were going to catch up with the backlog of '46, and we gave them money to do it.

Mr. HORD. We will catch up as fast as it is possible on the basis of the staff that we have to work with. There is one thing involved there, and that is that the carriers are still in the process of extending their routes. Actually, the operations of the entire routes, for which rates ultimately must be established, have not yet been inaugurated.

Mr. STEFAN. We took that into consideration. Are you going to be a year and a half behind all the time?

Mr. MACLAY. No, sir. As to the 1945 rates, those will be caught up with more or less immediately. As to '46, those will go forward in the normal way that rate cases go. There will be a hearing. When it will be out of the way we cannot say. But the rates fixed will be prospective rates and will go forward.

Mr. STEFAN. This is a rather peculiar way of appropriating money. The experience has been with the CAB that there will be an increase rather than a decrease in those rates; is that not true?

The CHAIRMAN. Why can you not tell us what the 1946 rates will be?

Mr. STEFAN. These rates are going to be changed; are they not?

Mr. MACLAY. Some of them.

Mr. STEFAN. What proportion?

Mr. MACLAY. Most of them are now in issue.

The CHAIRMAN. Will these rates be higher or lower than the figure that we have been given?

Mr. MACLAY. I would assume that there would be some increase in 1947, particularly in relation to the temporary rates which have been established for 1946.

The CHAIRMAN. Does this letter indicate the cost at the temporary rate structure that is presently in force?

Mr. MACLAY. That is right.

Mr. GARY. For 1946 and 1947; and it is based upon the anticipated actual rates for 1945?

Mr. MACLAY. We anticipated the actual rates in 1945 because those were the only rates at issue, and we were in the process of establishing them. The actual rate will be somewhat different from the estimate today. We do not think they will be materially different.

Mr. GARY. It is all predicated upon the basis that the carrier has to have the money with which to operate?

Mr. MACLAY. The temporary rate.

REASON FOR DELAY IN ESTABLISHING PERMANENT RATES

The CHAIRMAN. Why should you not have the rates established for 1946 by this time?

Mr. HORD. Actually, I think the experience for 1946 has not been adequate upon which to base a rate.

The CHAIRMAN. 1946 has been over since July of last year, and I do not know what more experience you are going to have to base it on.

Mr. HORD. There are a lot of circumstances that relate to it. In the first place, the Board has usually operated more nearly on a calendar year than a fiscal year basis. Now, we had originally, when the proceedings were initially begun, contemplated the establishment of permanent rates for the entire periods, and it became evident that the issues that were developed in 1946 were so complicated and indefinite as of that date that that would delay considerably the establishment of rates.

Consequently, the proceedings were cut off so as to look at '45 as a separate period, and establish a rate for '45 and at the same time establish temporary rates for '46 in order to get payment.

Mr. STEFAN. That is what disturbs the committee. What disturbs me in making appropriations is to see the backlog that you have here on these rates and the delay in determining them. I know what you have been up against because you did not have this service during the war and a lot of the lines were not established and they made their applications for rates; but the backlog is too great, in my opinion, at this time. You did have to come to the basis of temporary rates because these carriers said that they were losing money instead of making it. They had to have money to keep going, but the committee will go up against the proposition of not being able to appropriate correctly unless you can catch up on your backlog.

Mr. HORD. The objective on the part of the Board is to establish rates so that they will be effective forward. We have used these expedients to try to catch up to the present time as rapidly as we could. The carriers started out with improvised equipment and facilities, and some of them started out with flying boats, and by the time we would get around to a rate procedure they would be changed over to land planes and their frequencies doubled in a relatively short period of time, so that the changing conditions in respect to the operations have been continuing at an extremely rapid pace ever since the operations began.

Mr. STEFAN. Whose fault would it be? How long does it take you to make a decision here, from the time that an application is made?

Mr. HORD. That depends upon the case. In some cases where we have followed the practice of issuing a show cause order, and the carrier accepts that show cause order, it is a question of a few months. If the carrier contests the show cause order and the circumstances relating to the rate are extremely complicated, as they frequently are—and also in many cases the reporting of information with respect to the operation may be considerably behind the performance of operations themselves, so by the time we look at the information relating to the operation it may be 3, 4, or 5 months since the operation was performed.

Mr. STEFAN. The carriers themselves would contribute to the delay in the fixing of the rates. Could not you cooperate in some way so that you could send something up to the committee that we could appropriate on intelligently? We cannot appropriate intelligently here, because this picture is a guess.

Mr. HORD. We want forward rates.

Mr. MACLAY. The general plan for making rates is to make them prospectively, and once we establish permanent rates and they are in effect, in the absence of very material changes in the carrier's operation, those rates will stay in effect.

Mr. STEFAN. One decision may affect all of them, or a number of them.

Mr. MACLAY. Yes, but this happens to have been a period of unprecedented change in the operation and it has been impossible, on the basis of any existing facts, to prognosticate what was going to happen in the future. You speak of not being able to appropriate for later periods. In the later periods there will be rates in effect and you will have a close estimate of what the future requirements will be.

ROUTES ON WHICH PERMANENT RATES HAVE BEEN ESTABLISHED

Mr. STEFAN. What percentage of these routes has been established on a permanent basis? There will be applications for increases later on, I suppose, but what is the percentage?

Mr. HORD. All of our rates forward from 1945 will be in issue on the international carriers. In the case of Pan American-Grace, they have applied for an increase in rates relative to their permanent rate already in effect, so that places the rate in issue, so as of this date there is no rate forward.

Mr. STEFAN. No permanent rate in effect?

Mr. HORD. Correct.

Mr. STEFAN. We will be up against appropriating here from year to year.

The CHAIRMAN. This is still a guess for 1946—1945 is all we know about now?

Mr. HORD. 1945 is in the process of being established on a permanent basis.

The CHAIRMAN. You mean the rates that were in effect in 1945 are in the process of establishment now?

Mr. MACLAY. The ones that will be out in 10 days or 2 weeks will be on a permanent basis.

The CHAIRMAN. That covers a considerable portion of these routes specified in Mr. Landis' letter.

Mr. HORD. Yes.

Mr. GARY. As I see the situation here, it is similar to the railroad rate cases. You have a new enterprise here and there is some difficulty in getting the rates established, but once they are established they remain fixed, except upon application, and usually when there is an application the decision is prospective and not retroactive, so in the future, after you once get these rates established, we will be able to go ahead and appropriate.

Mr. STEFAN. They will be behind right along according to this picture.

Mr. MACLAY. That is not correct.

Mr. STEFAN. Tell us what will happen.

The CHAIRMAN. Is Pan American-Alaska on a permanent basis?

Mr. HORD. It is to be issued on a permanent basis for 1945.

The CHAIRMAN. And the Pan American-Atlantic operations will be on a permanent basis?

Mr. HORD. That is right.

The CHAIRMAN. Your Latin-American operation is to be and your Pan American overseas.

Mr. HORD. American Airlines, yes.

The CHAIRMAN. Pan American-Grace, is that to be on a permanent basis?

Mr. HORD. It was in 1945 on a permanent basis. The carrier now has a petition on file for reconsideration.

Mr. STEFAN. They are asking for higher rates?

The CHAIRMAN. The one still in abeyance is this TWA item.

Mr. HORD. That is 1946.

The CHAIRMAN. I know.

There is not anything pending on Pan American-Alaska, or the Atlantic, but there is on the Pacific.

Mr. HORD. Yes.

The CHAIRMAN. Is that still unsettled?

Mr. HORD. All for 1946.

The CHAIRMAN. Are still pending?

Mr. HORD. That is right.

The CHAIRMAN. I thought if this Alaska route was on a permanent basis it would not be up in the air.

Mr. HORD. The practice of a cut-off is unusual as a procedure, but it was adopted in these particular cases in order to move.

The CHAIRMAN. You really fixed a permanent rate just for the 1945 period?

Mr. HORD. In these cases.

Mr. GARY. In the future you will fix permanent rates. You will not fix rates annually, but you will fix a permanent rate, and that rate will exist. It will be the rate that will apply until it is changed by further order of the Board and it will be considered only upon petition and will not be reviewed annually.

Mr. HORD. As soon as we clean up 1945 we expect to go into 1946 and future rate cases.

Mr. MACLAY. What has been referred to as the 1946 rates are the 1946 and thereafter rates.

POSITION OF THE POST OFFICE DEPARTMENT IN RATE FIXING

Mr. GARY. Is the solicitor's office in the Post Office Department handling these cases on behalf of the Government?

Mr. MACLAY. On behalf of the Department's interest in them, yes.

Mr. GARY. That is the Government's interest?

Mr. MACLAY. The Government is interested in two ways. The Civil Aeronautics Board counsel on the CAB staff carry the principal burden of the case; the Post Office appears and represents the Post Office and the Post Office's interest in the proceedings.

Mr. GARY. The reason I asked that question is that we increased the appropriation for the solicitor's office in the appropriation bill on the basis that they had a good many duties to perform in connection with these rates, and that they appeared before the Board representing the Post Office Department in the making of these rates. It has not been done generally heretofore, but they have started making appearances.

TIME REQUIRED TO BRING RATES UP TO DATE

Mr. STEFAN. I would like for the record to show when you estimate you will be anywhere near done? When do you think you are going to catch up on the backlog? How long will it take? You have about 10 to 20 days on 1945 and not a thing on 1946 yet. Can you give us some idea?

Mr. HORD. I would like to point out certain characteristics in respect to the rate process in the matter of its being completely cleaned up, and that is that the carriers are inaugurating operations on different legs of their routes at different times, and there will be operations that are still to be inaugurated; consequently, the rate-making process in respect to those operations will have to begin in the future.

Mr. STEFAN. There is no question about that.

Mr. HORD. In the case of the Northwest Airlines, for instance, they have begun no operations at all. The procedure of establishing a rate for that operation will have to be delayed until the operation itself is inaugurated and some degree of experience has been accumulated.

Mr. STEFAN. We are talking about rates already in operation.

Mr. HORD. On those the purpose is to proceed immediately after the issuance of these opinions in respect to 1945 to the establishment of rates for 1946 forward on the routes where operations have already been inaugurated. That would include the North Atlantic cases immediately where the bulk of the operations in point of new volume will center.

Mr. STEFAN. I understand all that. I realize the extenuating circumstances with new routes being established and the extension of routes which might affect the present rates. The rates might go down. We do not know, but what I want to know is a rough estimate of when you think you will catch up with these routes that we are appropriating for now. How many months is it going to be, so that we will have an idea of what the permanent rate is going to be.

Mr. HORD. The only part of it that I would be able to estimate would be the first action of the Board which would involve the issuance, probably, of a show cause order determining the rate which the Board, on the basis of the facts as it then knew them, would be considered to be reasonable.

In respect to the North Atlantic cases, with a cut-off somewhere in Europe, that would probably take place within the next 6 to 8 months.

Mr. STEFAN. How about the others?

Mr. HORD. When you get into Europe, you get into the tail end of the operations. When you get into the Pacific, Pan American's Pacific operations, at least to Hawaii, you ought at least to have sufficient experience to provide a basis for rates; but their Pacific operations beyond Hawaii are still in the process of development. That operation began only in 1946. It had no basis in 1945.

Mr. STEFAN. Let us take Pacific. How many months—a year?

Mr. HORD. Out to Hawaii, it ought to come within a year.

Mr. STEFAN. Now, Latin America.

Mr. HORD. The Latin American rates, soon to be issued, are permanent forward. That will be on a permanent basis.

Mr. STEFAN. When?

Mr. HORD. Within the next 2 weeks.

Mr. STEFAN. All of Latin America?

Mr. HORD. All Pan American's Latin America. Panagra is still in issue. That will undoubtedly be taken care of within the year.

Mr. GARY. All of those 1945 rates would furnish some basis for our subsequent rates and would make the determination of the 1946 rates considerably less difficult than the original determination; is that not true?

Mr. HORD. Insofar as they relate to similar routes, sir; but the carriers' operations will change by the extension of operations.

Mr. GARY. They furnish some basis, at least?

Mr. HORD. That is right; 1945 included the conversion period, and in that sense has some complicated aspects.

Mr. MACLAY. Rates are not fixed upon the basis of a route but upon the basis of a carrier's operating condition, or the whole carrier; so the changes in the nature of the operation, or the extent of it, make an entire change in the operation of the carrier.

Mr. GARY. Are any of you members of the Board?

Mr. HORD. No.

Mr. GARY. You are merely experts on rates; is that the idea?

Mr. HORD. We have to carry a good part of that load.

Mr. GARY. A lot of this backlog depends upon how the Board operates. You get the technical information for them?

Mr. HORD. Yes.

The CHAIRMAN. That is all.

MONDAY, JUNE 2, 1947.

VETERANS' ADMINISTRATION

STATEMENTS OF GEN. O. N. BRADLEY, ADMINISTRATOR; DR. P. R. HAWLEY, CHIEF MEDICAL DIRECTOR; DR. H. A. PRESS, DIRECTOR, MANAGEMENT AND PLANNING STAFF, DEPARTMENT OF MEDICINE AND SURGERY; H. V. STIRLING, ASSISTANT ADMINISTRATOR FOR VOCATIONAL REHABILITATION AND EDUCATION; F. W. KELSEY, ASSISTANT ADMINISTRATOR FOR FINANCE; S. M. MOORE, JR., BUDGET OFFICER; AND J. D. BAKER, CHIEF, ESTIMATES SECTION, BUDGET SERVICE

ADMINISTRATION, MEDICAL, HOSPITAL, AND DOMICILIARY SERVICES

The CHAIRMAN. General Bradley, you are here to see about the budget estimate of \$29,610,000 for the fiscal year 1947, contained in House Document No. 277.

General BRADLEY. Yes.

The CHAIRMAN. Do you need all of that money and, if so, why?

General BRADLEY. Yes; we need it. In fact, you will remember when we were here before I told you we would need about \$44,000,000, but due to a ruling of the Bureau of the Budget that we could pay for some of these things that are being obligated in June out of 1948 appropriations, we were able to cut off about \$15,000,000. So actually we need about \$29,610,000 at the present time. That is broken down on the first table.

The CHAIRMAN. Do you wish to make a general statement, General?

General BRADLEY. I have a general statement, Mr. Chairman.

GENERAL STATEMENT

Mr. Chairman and gentlemen of the committee, you will recall that during the hearings on the first deficiency appropriation bill for 1947 before your committee, I called your attention to the fact that the supplemental appropriation for salaries and expenses which you were then considering would probably be inadequate by approximately \$44,000,000 to cover our requirements during the current fiscal year. My remarks concerning this may be found on page 653 of the hearings on the first deficiency appropriation bill for 1947.

At the present time, we have 10 months' actual experience during the current fiscal year on which to base our estimated needs for the entire year, and as a result we find that we will need an additional amount of \$29,610,000 in the salaries and expenses appropriation in order to cover our obligations payable from this appropriation. I would like also to call your attention to the fact that this amount of \$29,610,000 excludes payments for tuition, supplies, and equipment for veterans in training under Public Law 16 which will be payable after the close of this fiscal year. The new appropriation which we are requesting under the title "Veterans' Miscellaneous Benefits" provides in the proposed language that the amount available under the appropriation entitled "Veterans' Miscellaneous Benefits" is available "for benefits

accruing during the fiscal year 1948 and prior fiscal years." The Budget Bureau, therefore, has ruled that obligations incurred prior to the 30th of June 1947 for equipment, supplies, and tuition for Public Law 16 trainees which are unpaid as of June 30 must, of necessity, be paid from the new appropriation being requested for veterans' miscellaneous benefits. On this premise, obligations now incurred and unpaid for these items will be adjusted in the salaries and expenses appropriation to the actual expenditures made on or before June 30, 1947. If it were necessary to make provision within the salaries and expenses appropriation for these unpaid items, which we estimate will total \$14,279,086 as of June 30, the total additional amount necessary to request in the salaries and expenses appropriation at this time would be \$43,889,086 which is very close to my previous estimate of the shortage we might experience in the salaries and expenses appropriation.

A number of factors contributed to the need for requesting this supplemental appropriation at this time, the principal one being an unprecedented increase in the cost of out-patient care and treatment. We estimate that \$23,730,787 additional over the amount now available will be necessary for this item alone. The total increase required in the medical, hospital, and domiciliary care program, which includes all hospital care, domiciliary care, and out-patient care, amounts to \$33,051,428. An increase of \$8,002,931 is estimated as being required in the general administration program, and an increase of \$1,852,645 in the claims program. An increase also for transfers of funds on appropriation transfer warrants to other Government agencies in the amount of \$3,916,856 over prior estimates representing transfers already effected is required. Offsetting the increases mentioned above are a number of decreases, the principal one being a net decrease of \$13,453,287 in the vocational rehabilitation and education program which is principally accounted for by the transfer of payments for Public Law 16 trainees' tuition, equipment, and supplies to the veterans' miscellaneous benefits appropriation in the amount of \$14,279,086 which was mentioned above, with other adjustments in this program for various other items set out in detail in the vocational rehabilitation and education program statement. Various other minor decreases in the public relations and contact program, the insurance program, the loan guaranty program, and the readjustment allowance program account for the difference. The attached table of estimated obligations by program—Chart II—comparing the present revised estimate with the appropriated amounts available sets forth the adjustments required for each program. Also, the table by object of expenditure—Chart I—which precedes this statement compares the estimated requirements by object with the amounts available within the present appropriation and shows the increases or decreases required for each object. Another chart, No. III, presents a comparison of actual obligations for 10 months by object with the estimated requirements for the months of May and June and the revised total estimate for the fiscal year.

On page 654 of the hearings before your committee on the first deficiency appropriation bill for 1947, I made the statement that we expect to get down to 208,000 employees by the 30th of June. Our employment reports during the past several months show a downward trend. At the end of February, we had 213,236 full-time employees

paid from the salaries and expenses appropriation and 11,255 part-time employees. At the end of March, our reports show 211,332 full-time employees and 10,107 part-time. At the end of April, full-time employees were 208,159 and part-time employees 9,815. I have made every effort to hold down employment to the minimum level consistent with efficient operation and believe that the over-all trend in employment will continue downward until June 30 at approximately the same rate of decrease as experienced during the past 3 months. As a result, our total average employment of all employees full and part time on an equivalent full-time basis will approximate 203,487 for the entire 1947 fiscal year as compared to our prior estimate submitted to you in connection with the first deficiency appropriation bill of 205,382. The total personal services costs, however, are now estimated to be \$583,442,885 for the 1947 fiscal year, an increase of \$10,085,310 over the amount presently available within our appropriation. This increase is due entirely to a much greater expenditure for overtime than had been anticipated at the time that we submitted our first supplemental appropriation request. That request contained an estimated amount of \$22,393,695 for overtime. As of April 30, actual overtime payments were \$39,861,098, and it is estimated that approximately \$3,500,000 additional for overtime payments will be required during the months of May and June. Thus, excluding the increase in overtime cost over previous estimates, our base salary costs are approximately \$10,882,093 less than we had anticipated earlier in the year.

The total estimated requirements for "Travel," for employees, is \$2,610,194 less than the amount now available, due primarily to the fact that travel was curtailed considerably during the first few months of this calendar year due to shortage of funds for this purpose. Travel of beneficiaries, however, will require \$698,928 in excess of the amount now available. There is a slight reduction in the amount of \$41,191 in the cost of "Transportation of things" for "Shipment of bodies" which reflects a revision of our estimates based on later experience. However, "Transportation of things, other" will require an amount of \$867,744 in excess of the amount now available. "Communication services" costs based on 10 months' experience indicate that an additional amount of \$216,857 over the amount now available will be required. A reexamination of our lease rental contracts, space requirements, and costs of other utility services indicates that a reduction in the amount of \$2,411,596 may be made from the total amount now available for this purpose. Obligations for "Other contractual services" indicate that an increase of \$12,632,557 will be required in this object in order to complete the year. This increase is due principally to fee basis treatments of veterans in the out-patient care program. The costs of provisions under "Object 08—Supplies and materials," based on present prices which undoubtedly will continue at approximately the present level during the remainder of the year, will require an addition of \$1,934,990 to the amount we now have for this purpose. Estimated obligations for "Other supplies and materials" indicate that those requirements for the year will exceed our available funds for this purpose in the amount of \$17,707,362. Likewise, "Equipment" requirements will amount to \$1,685,623 more than we now have available. However, included in these two objects is the estimated value of surplus items acquired without reimburse-

ment from the War Department and from other Federal sources in the amount of \$12,250,000, distributed \$10,412,500 to "Object 08—Supplies and materials, other," and \$1,837,500 to "Object 09—Equipment." Those items are included here in order that proper effect may be given to experienced cost factors for purposes of comparison of past and future years. The adjustment for this item appears on the table for objects of expenditure as a reduction in cash requirements. "Object 11—Grants, subsidies, and contributions" indicates that a reduction in the amount of \$7,428,272 may be made. This reduction arises from a reduction in payments to States for supervision of on-the-job training in the amount of \$2,887,650 from prior estimates and from a reduction for payments to States for supervision of the readjustment allowance payments to veterans in the amount of \$4,540,622 from earlier estimates. The estimated reduction in "Object 12—Pensions, annuities, and insurance losses" again arises from the deferment and transfer to the new appropriation entitled "Veterans' Miscellaneous Benefits" of payments for tuition to Public Law 16 trainees. This total reduction in the amount of \$7,644,974 consists of a small reduction in the amount of \$1,250,000 under prior estimates for statutory burials and a transfer of payments to veterans' miscellaneous benefits appropriation for Public Law 16 tuition in the amount of \$7,246,000, plus an increase in program EO 00 of \$851,026 for contract burials of veterans who die in Veterans' Administration hospitals.

Actual gross obligations for all programs and objects at April 30, 1947, under the salaries and expenses appropriation amount to \$779,-482,264 after adjustment for the estimated value of surplus property acquired without cost at an estimated value of \$8,650,000. Allotments to the various offices and stations of the Veterans' Administration for the month of May approximate \$92,500,000 and include provision for payment of pay rolls for three pay periods ending during the month. The total amount we are requesting herewith of \$938,-946,415 will permit us to allot for June operations approximately \$67,000,000 to all stations and offices of the Veterans' Administration. In order to operate effectively during the month of June on this amount, it will be necessary to maintain strict control over all transactions, and to withdraw and transfer unused balances of allotments from stations having any surplus amounts to other stations as needed. I believe that \$938,946,415 is the minimum amount which we need in order to complete the year on an efficient and economical basis of operation and maintain our services and staff at a level which will permit us to begin the new fiscal year on July 1 on a base that will, enable us to continue rendering the quality and quantity of service to which the veterans are entitled.

The CHAIRMAN. You told us that there were three pay periods.

General BRADLEY. Yes; three in May, and two in June.

The CHAIRMAN. And that the allotments for May were \$92,500,000, whereas for June it would be \$67,000,000. If the pay periods run at about the same rate, that would be an average of \$30,800,000 for each pay period and the two pay periods would be \$61,600,000; or have I missed something in there?

General BRADLEY. Yes. It is not all just for pay; there are some other things included that are mixed in with the total obligations.

OBLIGATIONS THROUGH APRIL 1947

The CHAIRMAN. Would you be able to give us your actual obligations to the 1st of May?

General BRADLEY. \$770,832,264.80; plus transfer warrants of \$7,318,811.

The CHAIRMAN. What is represented by transfer warrants?

General BRADLEY. Those represent transfers that we make to other departments.

And the May figure was \$92,500,000, and is estimated at \$67,000,000 for June.

The CHAIRMAN. It looks like you had about \$1,295,000 velvet.

General BRADLEY. There is about \$1.2 million broken down between the various items, to absorb that amount.

The CHAIRMAN. That is absorbed by the break-down?

General BRADLEY. No; but that does not allow us much leeway under these distributions to take care of any errors that we may have made. That represents the closest possible estimate we can make.

BREAK-DOWN OF REVISED ESTIMATES, 1947

The CHAIRMAN. We will insert in the record at this point chart I of the justifications, giving the revised estimates for 1947.

(The chart referred to follows:)

*Salaries and expenses, Veterans' Administration revised estimate, fiscal year 1947—
distribution by objects of expenditure*

Object of expenditure	Estimated obligations		
	Present available appropriation	Revised estimate, May 1947	Increase (+) or decrease (—)
Personal services, average employment.....	\$205,382	\$203,487	—\$1,895
01 Personal services salaries (net).....	573,357,575	583,442,885	+10,085,310
02 Travel:			
Employees.....	8,881,000	6,270,806	—2,610,194
Beneficiaries.....	4,138,000	4,836,928	+698,928
03 Transportation of things:			
Shipment of bodies.....	196,716	155,525	—41,191
Other.....	7,303,919	8,171,663	+867,744
04 Communication services.....	5,079,064	5,295,921	+216,857
05 Rents and utilities.....	16,521,021	14,109,425	—2,411,596
07 Other contractual services.....	116,263,970	128,896,527	+12,632,557
08 Supplies and materials:			
Provisions.....	37,352,462	39,287,452	+1,934,990
Other.....	31,933,188	49,640,550	+17,707,362
09 Equipment.....	26,918,727	28,604,350	+1,685,623
10 Lands and structures.....	3,900,000	3,900,000	0
11 Grants, subsidies and contributions.....	41,242,812	33,814,540	—7,428,272
12 Pensions, annuities and insurance losses.....	45,496,000	37,851,026	—7,644,974
Grand total obligations.....	918,584,454	944,277,598	25,693,144
Adjustments:			
Reimbursement for services performed.....	—400,000	—400,000	0
Surplus items acquired without reimbursement.....	—12,250,000	—12,250,000	0
Transfers to other agencies:			
Public Buildings Administration.....	+3,100,000	+6,925,000	+3,825,000
Library of Congress.....	+301,961	+393,817	+91,856
Total, adjustments.....	—9,248,039	—5,331,183	+3,916,856
Total, net obligations, estimated.....	909,336,415	938,946,415	+29,610,000

PERSONAL SERVICES

The CHAIRMAN. Under the personal services item that seems to be up about \$10,000,000 over your present appropriation.

General BRADLEY. That is caused entirely by the fact that we had to have more overtime than we had hoped we would have to have.

The CHAIRMAN. There seems to be between 43 and 44 million dollars of overtime in the picture. That is a pretty big figure; percentagewise it is about 8 percent of the total.

General BRADLEY. There were times last fall when we were just snowed under in trying to get these students paid their tuition and subsistence, and we had to work more overtime than we liked to do.

In addition to that, the hospitals have had to use considerable overtime because of the personnel ceiling which was imposed upon us by the Bureau of the Budget and the only way we could run those hospitals was by overtime in certain cases.

The amount of overtime next year in the budget is very limited. We actually spent during April \$1,802,400 for overtime, a little over the rate for the months of May and June which we estimate will run about \$3,500,000. We are trying to reduce it as much as we possibly can.

OTHER CONTRACTUAL SERVICES

The CHAIRMAN. You have an increase of 12.6 million dollars for other contractual services. Does that mean that all of these out-patients are treated by contractual services?

General BRADLEY. No. They are not all treated by contract, but we do not have enough out-patient clinics to treat all of them. They are all service-connected cases, both dental and medical. We are endeavoring to try to carry out what is assumed to be our obligation to give this out-patient treatment to these service-connected cases.

The CHAIRMAN. That is for doctors who are called under contractual services on a fee basis?

Dr. HAWLEY. Yes.

The CHAIRMAN. Doctors and dentists, and so forth.

Dr. HAWLEY. It would be about two-thirds on clinics and one-third contract.

The CHAIRMAN. That means what?

Dr. HAWLEY. For examinations and treatments.

The CHAIRMAN. That means the patients who are treated and who are not hospitalized?

Dr. HAWLEY. Yes.

General BRADLEY. I can break that \$12,000,000 down for you if you would like to have it.

The CHAIRMAN. Is that broken down in your justification?

General BRADLEY. It shows up under the individual programs, in the back, but I can break it down for you a little quicker.

The CHAIRMAN. Very well.

General BRADLEY. Under "Medical," in program 8000, appearing on page 29, \$11,412,132, and under VRE program 5000: For counseling, \$3,836,003.

The CHAIRMAN. What is that?

General BRADLEY. Counseling, under Public Law 16, the disabled veterans, who are entitled to appear before an advisory committee. Advisory committees were established at various places for guidance as

to what profession they should follow. It is required under Public Law 16, but under Public, 346, they are entitled to it upon request and there have been more people requesting the guidance from these guidance centers than we had anticipated; it takes \$3,836,003 for that.

And then under program 7,000; that is where we have the transfers, and that amounts to plus \$1,540,622.

There are some reductions on that under general administration, \$3,991,000.

Under program 2,000, which is contact and public relations, there is a reduction of \$61,700.

And under "Insurance" a reduction of \$3,500.

And under "Loan Guarantee" a reduction of \$100,000.

So the difference of all those comes out as an increase of \$12,632,557.

BREAK-DOWN OF OTHER CONTRACTUAL SERVICES

The CHAIRMAN. Suppose you put that information in the record in table form.

(The information requested follows:)

Program:	Increase (+) or Decrease (-)
1,000 General Administration.....	-\$3,991,000
2,000 Public Relations and Contact.....	-61,700
3,000 Claims.....	
4,000 Insurance.....	-3,500
5,000 Vocational Rehabilitation and Education.....	+3,836,003
6,000 Loan Guaranty.....	-100,000
7,000 Readjustment Allowance.....	+1,540,622
8,000 Medical, Hospital and Domiciliary Care.....	+11,412,132
Total.....	+12,632,557

SUPPLIES AND MATERIALS, PROVISIONS

The CHAIRMAN. Under item 08, "Supplies and materials, provisions," you have a plus of \$1,934,990. I suppose that is for hospitals?

General BRADLEY. That is rations in hospitals; yes. The average for the first 9 months was 81.6 cents. For the last 3 months the estimate will be 87.5 cents on account of the increase in cost of food.

The CHAIRMAN. Have the prices on some things gone down?

General BRADLEY. They have gone down some weeks, but they went back up last week. But we are up above the average for the 10 months. In other words, during the last 3 months the average is higher than the average for the total for the first 9 months.

SUPPLIES AND MATERIALS, OTHER

The CHAIRMAN. The item for "Other than provisions" seems to be up \$17,000,000, or about 55 percent.

General BRADLEY. Yes.

The CHAIRMAN. Is there a break-down of that item?

General BRADLEY. Yes; that is on page 25, which gives a break-down of the supplies and materials other than provisions for the medical care program, \$16,795,923.

The CHAIRMAN. That shows an increase of about 70 percent. That figure does not seem to jibe with the one on the first page.

General BRADLEY. That is a net figure again. I have a table here which shows there are three increases and one decrease under that 08

object other than provisions. One of them is an increase in the amount of \$3,092,688, administrative equipment; then a decrease of \$2,000,000, plus, under program 5,000; and an increase slightly over \$35,000 under contract program, and the net of approximately \$17,700,000.

The question is as to the break-down of the \$10,000,000.

The CHAIRMAN. Of the \$17,000,000. I would like to see a break-down of the \$17,707,362 as shown on the first page, or the \$16,000,000 on page 25, which does not seem to jibe with the \$17,000,000 figure.

General BRADLEY. On page 48 you will find a break-down of the \$16,000,000, on object 08 "other" for the medical program.

The CHAIRMAN. Yes. Do you have a break-down that shows the details of the \$17,707,362?

General BRADLEY. There are four figures involved in that by programs; administrative supplies, which is the top one, which is made up of four items.

The CHAIRMAN. What is the 1001?

General BRADLEY. That is for administrative equipment, including files, file cabinets, and such things as that.

The CHAIRMAN. What is 1508?

General BRADLEY. General operating expenses.

The CHAIRMAN. And 8008; is there a table on that?

General BRADLEY. That is the table on page 48.

BREAK-DOWN OF ESTIMATE

The CHAIRMAN. Maybe we ought to have that table in the record; I am inclined to think so.

(The table referred to follows:)

	<i>Increase (+) or decrease (-)</i>
Program:	
1000 General administration.....	+\$3, 092, 688
2000 Public-relations contact.....	+ 35, 617
5000 Vocational rehabilitation and education.....	- 2, 216, 866
8000 Medical, hospital, and domiciliary care.....	+16, 795, 923
Total.....	+17, 707, 362

EQUIPMENT

The CHAIRMAN. The equipment seems to be up about \$1,685,623.

General BRADLEY. That is made up of three increases and one decrease. An increase of \$5,187,000, under general administration equipment; and \$9,068 under contract; \$1,305,775 under medical; and a decrease by \$4,816,220 under vocational rehabilitation and training. Here again is a break-down of that figure.

BREAK-DOWN OF ESTIMATE

The CHAIRMAN. You might put that in the record too.

(The statement referred to follows:)

	<i>Increase (+) or decrease (-)</i>
Program:	
1,000 General administration.....	+\$5, 187, 000
2,000 Public relations and contact.....	9, 068
5,000 Vocational rehabilitation and education.....	- 4, 816, 220
8,000 Medical, hospital and domiciliary care.....	+1, 305, 775
Total.....	+1, 685, 623

TRANSFER TO LIBRARY OF CONGRESS

The CHAIRMAN. What does the transfer of money to the Library of Congress mean?

General BRADLEY. Last year we took over a bunch of surplus books from the Army and Navy which they had left over from their educational programs; the books did not cost us anything, but in order to make the books available for the greatest number of students in the colleges we had to pay for handling them, getting them to the Library of Congress for distribution to the book stores they were turned over to.

Mr. STEFAN. Those were language books?

General BRADLEY. They were books of many types; it represented a considerable saving to the Government in taking the surplus books which did not cost us anything. While we did not have to pay anything for the books we did have to pay something for handling the books and for getting them distributed.

TRANSFER TO THE PUBLIC BUILDINGS ADMINISTRATION FOR ALTERATIONS AND RESTORATIONS

The CHAIRMAN. What is this transfer to the Public Buildings Administration?

General BRADLEY. That was for alterations and restorations made by the Public Buildings Administration for us, usually of office space that we took over, but it was work performed by them for us.

The CHAIRMAN. You show an increase there of \$3,825,000. That seems like quite a considerable item. What can you tell us about that?

General BRADLEY. That has already been referred to them for work done during the year.

Mr. MOORE. I do not have that with me, but I can itemize that if you wish it.

General BRADLEY. That includes a lot of articles, and also because many of our buildings are run by the Public Buildings Administration.

PERSONAL SERVICES

OVERTIME

Mr. SHEPPARD. General, I notice on your recapitulation sheet, sheet 1, where you show an increase of \$10,085,310, and you also show a reduction of 1,895 in personnel. Would the reduction of that 1,895 personnel have a tendency to cut down what your testimony indicated as being excessive overtime? In other words, which of the two evils would be most acceptable so far as the taxpayer is concerned?

General BRADLEY. Actually, overtime is very uneconomical, but most of this overtime was spent at other times during the year than when there was the actual cutting down. In other words, our overtime rate at the time we were cutting down here is much less than it was last fall when we were having so much difficulty in keeping up with our job.

Mr. SHEPPARD. If you had retained the 1,895 personnel, would that have had a tendency to have reduced the overtime payment?

General BRADLEY. To a slight extent; yes.

Mr. SHEPPARD. Would it have been a factor in the reduction of the \$10,085,000 you are requesting here?

General BRADLEY. I do not know just what the proportion would be. It would not be that much here, possibly, but it was in different places.

Mr. SHEPPARD. Where you have "Services rendered by other factors or agencies of Government for hospitalization and care purposes," what is your percentage of overtime that comes through the Navy and the Army compared with that of handling overtime in your own organization where you have so many civilians employed?

Dr. HAWLEY. None, because the entire cost of the hospitalization is fixed at so much per patient-day, and we are charged so much per patient-day by the Army and Navy regardless of their costs, and that figure is fixed annually by the Federal Board of Hospitalization.

Mr. SHEPPARD. You indicate that if more of your patients were hospitalized in those agency accommodations, if they are available, where they get a flat cost if you have additional service, you could eliminate your request for \$10,085,000.

General BRADLEY. No, sir.

Mr. SHEPPARD. Why not? What is the percentage you have here in this \$10,000,000? What percent of that charge is confined to hospital activities as compared with other activities? What would be the percentage involved there?

General BRADLEY. Actually this \$10,085,310 is not all needed for overtime in these last 2 months. That is an accumulation throughout the whole fiscal year. Actually we estimate we will need about \$3,500,000 overtime for the next 2 months.

Mr. SHEPPARD. To complete the rest of the fiscal year?

General BRADLEY. Yes. That has been brought on by an excessive amount of overtime that we have had to use during the whole year to get the job done.

Mr. SHEPPARD. Going into the reduction of personnel, is it indicative from the anticipated work load you have coming up in the next fiscal year that your overtime will be somewhat on a comparable basis with that reflected here?

General BRADLEY. No, sir; we will be able to reduce overtime very materially next year.

Mr. SHEPPARD. Upon what basis?

General BRADLEY. Because we know more now about what our load is going to be.

Mr. SHEPPARD. In other words, your control factor was an unknown factor that created the \$10,085,000 as compared with known factors in anticipating the appropriation for next year?

General BRADLEY. That is correct. And many of our offices were so small at the beginning of the last fiscal year that we had to work a smaller number of people overtime in order to get the work done, instead of hiring enough staff to do the work during a 40-hour week.

PERCENTAGE OF VETERANS REQUIRING SEMIPERMANENT HOSPITALIZATION

Mr. SHEPPARD. What is the difference, if you have the information available, between the contemplated permanent hospitalization requirements against that of the temporary category for the coming fiscal year? I know that is aside from what is being presented here but I am interested in that.

General BRADLEY. I am not sure I get the question.

Mr. SHEPPARD. You do have a permanent category of patient load, and then have a fluctuating category that is an in-and-out load in the hospitals.

Dr. HAWLEY. No, sir. They are all in-and-out in the hospitals, except a few very chronic mental cases. We have an entirely shifting load. There is a very small percentage of cases that are termed "terminal" that perhaps stay for some months prior to their death, such as inoperable cancers and things like that. But we do not consider any patient as remaining there for the rest of his life. There are many of the NP cases——

Mr. SHEPPARD. Well, you must consider some of the tubercular cases as permanent. You have them; they are there, and some of them have been there for years.

Dr. HAWLEY. Yes.

Mr. SHEPPARD. So that you must have what is called a permanent load indicated some place, I should think. I may be in error.

Dr. HAWLEY. I should say that 95 percent of those men you say have been there for years have been in and out. They go out for a time, get worse and come back; then get better and go out and get worse again. We consider about 25 percent of our general beds—between 20 and 25 percent—as frozen beds. We consider a bed frozen if the patient is there for more than 3 months.

Mr. SHEPPARD. Then the answer would be that 25 percent of the over-all requirement is of a semi-permanent character, as I consider it.

Dr. HAWLEY. Yes; semipermanent. I am not considering domiciliary homes as hospitals.

TRAVEL

Mr. SHEPPARD. I notice another thing. Your travel expense has gone up slightly in the beneficiary category, and in the employees has been reduced \$2,610,194. Is that reduction in travel of employees as separate from that of beneficiaries due to the fact you decreased unnecessary travel as compared with previous experience, or what happened in that instance?

General BRADLEY. On about the 19th of February we stopped practically all travel in order to make the additional amount required for the rest of this fiscal year as small as possible. During that time, up until about a week or two ago, we had practically no supervision in the field. You can go for a month or two like that; then you have to make up by getting out and taking account. And your service suffers and your administration suffers from lack of supervision, if you cut that out for a long period of time. That was the way we saved that \$2,000,000, by reducing our supervision to practically zero during about 2½ months.

RELATION OF REDUCTION OF TRAVEL TO INCREASE FOR COMMUNICATIONS SERVICE

Mr. SHEPPARD. What aspect of application would these two conditions have to do one with the other? For example, you show a reduction of employees' travel of \$2,600,000 and then you show an increase in communications of \$216,000. Would that have some reflection?

General BRADLEY. A little bit. Your communications would be increased some by the fact you were not traveling, but the most of

the increase in communications is due to the increased rates and the fact, also, that the Army was giving us some free teletype service and they have cut that out.

Mr. SHEPPARD. Of course, your relationship between the two figures is rather small comparatively, but I assumed there would be some material effect.

General BRADLEY. There is some connection.

RENTS AND UTILITIES

Mr. SHEPPARD. How do you get the figure of reduction of \$2,411,000 in rents and utilities where the utilities, I assume, are reflected in the rental? What items were kicked off in order to have that saving reflected?

General BRADLEY. It was not a question of closing space, as much as it was the fact our expansion of office space did not come up to what we thought it would be when we made those estimates sometime around last August.

Mr. SHEPPARD. In other words, the saving is reflected by a known factor as against an unknown factor when you compiled the original figures?

General BRADLEY. That is right. We now have 10 months' experience upon which to base it.

OTHER CONTRACTUAL SERVICES

Mr. SHEPPARD. I think you stated in your testimony in response to Chairman Taber that one-third of your service is contracted for and two-thirds is actually performed by the organization itself; is that right?

Dr. HAWLEY. That is true in the medical service; that is the answer for the out-patient service.

Mr. SHEPPARD. Are there set fees on outside contractual medical service?

Dr. HAWLEY. There are a series of fees; yes, sir. There is no one covering the medical service as a whole.

VARIATION OF MEDICAL FEES IN VARIOUS PARTS OF THE COUNTRY

Mr. SHEPPARD. Does that type of contractual fee differ in regional areas as compared with other regions? In other words, for certain treatments of patients in Ohio, is there a differential in the contract with private operators there as compared with, hypothetically, what it might be in the State of Washington? Does it fluctuate geographically?

Dr. HAWLEY. Yes, sir; they do somewhat; they fluctuate as much as 25 percent. The State of California, for example, where habitually the fees are higher than in almost any other State have fees higher than in our agreement with the State of New York. These fee schedules are negotiated for 1-year periods.

DISCUSSION OF SELECTION OF CONTRACTING PHYSICIANS

Mr. SHEPPARD. By the way, in your negotiation operation, how is that negotiation for contractual services handled—on an individual doctor basis, or a State medical association basis?

Dr. HAWLEY. On a State medical association basis. In the renegotiation we have set two maximums; one, a schedule of fees which was worked out by our own consultants, which we think is fair and which will govern unless the State workmen's compensation schedule of fees in any State is higher than that, in which case we cannot think of asking to have the veteran treated at a lower schedule of fees than the State workmen's compensation schedule.

Mr. SHEPPARD. Let us assume, for the sake of the record, you have contracting physicians in the State of California and in Los Angeles. Does the local medical board allocate the physicians there presumably as operators under these contracts?

Dr. HAWLEY. No, sir.

Mr. SHEPPARD. Who has the right of selection?

Dr. HAWLEY. On the question of operations, in all cases the patient has the right of selection, we reserving only the right to determine that the physician is qualified to do the type of work which has to be done and, insofar as specific operations are concerned, very little.

Mr. SHEPPARD. Who adjudicates the qualifications—the American Medical Association or you gentlemen?

Dr. HAWLEY. We do it.

Mr. SHEPPARD. What type of practitioners do you have outside of members of the American Medical Association, if any?

Dr. HAWLEY. Any licensed physician in the State.

Mr. SHEPPARD. That is in any State?

Dr. HAWLEY. In any State. He does not have to be a member of his medical association. That is in all the agreements.

Mr. SHEPPARD. Let us assume, for the sake of discussion, that a veteran himself wants to go to Dr. X: What would be the reason he would not be permitted to go to Dr. X, if there was any reason?

Dr. HAWLEY. If he had a skin disease and Dr. X was an eye specialist.

Mr. SHEPPARD. And if you did not have any skin specialists within the confines of the State where he resides, what would be the result then; what would happen?

Dr. HAWLEY. If the skin disease was not of an aggravated form that required a specialist, any good general practitioner he selected he could go to; otherwise, it being a service-connected condition, we would probably send him to one of our hospital clinics to have a diagnosis made and treatment rendered.

Mr. SHEPPARD. But where the ailment which the patient might have was of a general practitioner character, he would still be permitted to go to any acceptable practitioner within the area?

Dr. HAWLEY. Yes, sir.

Mr. SHEPPARD. In other words, to put it literally and frankly, there is no particular rigid regulation wherein the patient himself does not have at least, we will say, 70 or 75 percent determination for his treatment?

Dr. HAWLEY. No, sir; except for examination for his pension claim. We do not permit the veteran to select his own examiner for a pension claim. But, for treatment purposes, insofar as we can meet it, we let the veteran choose his own physician.

Mr. SHEPPARD. What happens in a case of this character, where you have a patient who goes into your established clinic for examination and, hypothetically, the case is decided as not one for treatment

purposes and the degree of the ailment is established, we will say, hypothetically, at 40 percent, and then he goes again to an accepted practitioner with whom you do business, a contracting physician who meets the requirements under the contractual operations, and a physician or group of physicians examines him and they differ with the gentleman to whom you sent him for conducting his examination for a pension? What occurs in a case of that character where there is a wide range of difference in the analysis in the case by and between the two factors?

Dr. HAWLEY. In a case of that character, we should like to have that veteran admitted to one of our hospitals which is competently and adequately staffed and have his ailment studied and as nearly accurate a diagnosis made as possible. And I think in cases like that—take Los Angeles, for example, where we have two general hospitals both of which are staffed by very high caliber people——

Mr. SHEPPARD. They are high caliber people, but badly overworked.

Dr. HAWLEY. I think there would be no difference of opinion between the private practitioner and our staff when all possible data on the patient was assembled and examined together.

Mr. SHEPPARD. I think perhaps that would be true, with this reservation. In many of the institutions that I have had an opportunity to observe, the work load is very intense and due to the requirements that appear in specific cases that require maybe an extensive research into that case definitely to establish what the degree of the ailment is and what should be done, it is pretty hard for those fellows to handle it because of the fact they do have a tremendous work load.

Dr. HAWLEY. Quite true.

Mr. SHEPPARD. And to me it is quite highly improbable they could give the time to a complete examination compared to the private practitioner, because of the work load that is being placed upon them. I do not say you are doing it intentionally, but you are doing it because of the conditions which you have to meet.

General BRADLEY. That is true, and, because of the great number of practitioners with whom we have to deal, we have this to consider, that many private practitioners are in the habit of making a diagnosis and an examination only for the purpose of treatment and not for what effect the disability has on the man's earning power. So it takes considerable training of the doctors and some practice to make an examination which has maximum value to our rating boards in determining the degree of disability. That is one thing we run into that you have to weigh against the fact he might take a little more time for the examination, but he is probably looking at the case from the viewpoint of treatment rather than the degree of disability. We have to contend with that.

Mr. SHEPPARD. In other words, your private practitioner, following the ordinary procedure of his profession, would have a different clinical approach to the problem from the man who was actually reviewing the case in the veterans' organization who had been there over a period of years?

Dr. HAWLEY. That is right. I should say, in general, of course, we do not rely too much for adjudications on any general medical examination for a pension claim. What is done by the private practitioner is not satisfactory. Many of them have to be sent back. It

is not a question that the examination is not competent, but it is just not recorded in a way that the adjudicating boards, largely made up of lawyers, can determine the amount of the disability which this condition causes the veteran.

Mr. SHEPPARD. Are there any set forms of procedure in an examination of that character?

Dr. HAWLEY. Yes, sir.

Mr. SHEPPARD. Is that such that the contractual physician, where the disgruntled veteran might consider he had not received a run for his money, in the parlance of the street, can be supplied with the required form so that a competent private practitioner who would be in the contractual category would be able to render a report to that board which would be acceptable?

Dr. HAWLEY. We have a manual for examinations for pension claims which is furnished to all private practitioners doing medical examinations.

Mr. SHEPPARD. Then, if they function in accordance with the requirements laid down in that manual, the adjudication board should not have any difficulty adjudicating the case they send in on that report?

Dr. HAWLEY. That is true; but it is very difficult to get the private practitioner to sit down and read and follow the manual in many cases.

Mr. SHEPPARD. Well, if he takes the veteran's money and is an accepted medical man, he ought to function or else kick the case out of the window and have nothing to do with it.

Dr. HAWLEY. That is perfectly true.

Mr. SHEPPARD. These things are difficult and naturally embrace many complications, and I do not know what percentage, but what is the percentage of appeal cases coming out of World War II veterans compared with World War I, if that has been indicated in a percentage category up to date?

General BRADLEY. I do not think we have enough information yet, because some of those cases have not yet been appealed; they have simply asked for a review. They may eventually ask for an appeal. So I do not believe the figures we have now would be worth very much, because a lot of those are pending review before they are appealed.

Dr. HAWLEY. I should like to say at this point that we are working toward the time when we can set aside a certain percentage of beds in our hospitals to study thoroughly all cases in which there is a controversy as to the amount of disability.

Mr. SHEPPARD. How far back do you contemplate going in an action of that character? I mean in reviewing cases of appeal. Have you set any date limit to the retroactive portion of it?

Dr. HAWLEY. No, sir.

DECREASE FOR PENSIONS, ANNUITIES, AND INSURANCE LOSSES

Mr. SHEPPARD. I notice further, under "Pensions, annuities, and insurance losses," you show a decrease of \$7,644,974. How much of that applies to your pension and not your insurance loss category? Do you have that figure available?

General BRADLEY. Yes, sir; that is made up of three figures—a reduction on burials under the original estimate of \$1,250,000; a re-

duction in tuition, for Public No. 16 cases, of \$7,246,000; and an increase under medical of \$851,026, the net difference being a reduction of \$7,644,974.

USE OF AVAILABLE ARMED SERVICE HOSPITAL BEDS

Mr. SHEPPARD. Are you absorbing all of the beds that are being made available by other branches of the military forces that have potential hospital beds?

Dr. HAWLEY. Yes, sir; all that we can. But I should like to point out three bars to the use of more. First, the other services will not accept the chronic type of case which you spoke of recently; secondly, many of their beds are located in areas in which we have veterans' hospitals with an adequate number of beds; third, there is objection on the part of a considerable portion of the veterans to being hospitalized in a service hospital.

Mr. SHEPPARD. I presume that is because of the military requirements, compared with the differential in the treatment in a veterans' organization.

Dr. HAWLEY. That is true.

Mr. SHEPPARD. In the final analysis, have you had any hospitals of either the War Department or the Navy Department where you figure the patients have not received adequate treatment as such?

Dr. HAWLEY. No, sir. It is not a question of the adequacy of treatment; it is a question of the mental attitude of the patient. It is not in any case a question of the adequacy of the treatment.

General BRADLEY. There is one other point. They will not take mental cases or tuberculosis cases.

Mr. SHEPPARD. You say they won't handle tuberculosis cases?

General BRADLEY. They will not handle mental cases or tuberculosis cases.

Dr. HAWLEY. In tuberculosis cases, the Army has given us an allocation of beds at Fitzsimmons.

Mr. SHEPPARD. Is not the Norco naval hospital, just outside of Riverside, handling tuberculosis cases?

Dr. HAWLEY. Yes; they were at one time, but they have discontinued it, and that was discontinued in another hospital, and we had suddenly to take that hospital over because we had a number of veterans in it at the time.

Mr. SHEPPARD. Have you taken over the hospital in Washington that was contemplated you were going to take over?

Dr. HAWLEY. At Seattle?

Mr. SHEPPARD. Yes. Has that been taken over?

Dr. HAWLEY. No, sir; it has not been taken over yet.

Mr. SHEPPARD. What is the difficulty there?

Dr. HAWLEY. We have no personnel. We are already over our personnel ceiling allowed under the 1948 budget, and for the next year we will be reducing beds in number instead of increasing.

General BRADLEY. I would like to explain a little more fully that during the last year the Bureau of the Budget placed a ceiling on our personnel. It was not Congress at that time. So we were restricted in the number of beds we could take over by that ceiling.

The CHAIRMAN. Well, you never have had your number of employees in the hospitals up to the ceiling fixed by the Budget Bureau, have you?

General BRADLEY. In a practical sense, yes; because you never can reach any actual ceiling they give you. You are always under 5 or 6 percent because of turn-over. Then, when we found out the figures they were going to forward to you for 1948, we did not go beyond that figure any more than we already were, because we would just merely have to close down hospitals at the end of the fiscal year to meet the figures they forwarded to you to go in the 1948 budget.

DISCUSSION OF BASIS FOR DETERMINING VETERANS TO BE
HOSPITALIZED

Mr. SHEPPARD. What is the dominating or determining procedure in connection with the matter of determining the number of veterans to be hospitalized? Is it the number of veterans who need hospitalization or the number of beds Congress provides? Which of the two factors is it that you have to deal with?

General BRADLEY. It is going to come down eventually that you are going to have to give us some guidance on that very subject.

Mr. SHEPPARD. What guidance is there under the organic law other than the demands of the veteran who is entitled to hospitalization?

General BRADLEY. It is not that simple. If you are going to furnish full hospitalization to every veteran asking for it, you are going to need, according to the estimates of the Federal Board of Hospitalization, about 300,000 beds by 1975. We do not know whether you want to go that far or not. You have been taking care of non-service-connected cases since 1924 and have been building additional hospitals to take care of them and, following that same policy, we are now in the process of building additional hospitals. How far you want to go we do not know and, in my opinion, some day you are going to have to answer that in one of three ways—either by limiting the amount of the appropriations and thereby limiting the staff; second, by stopping construction of additional hospitals; or, third, which I think is by far the preferable method, by passing a law which defines clearly the veterans you want hospitalized.

Mr. SHEPPARD. In other words, under the organic law which you presently have to direct your course of procedure, there is no point at which you presently feel you can determine whether or not a specific type of veteran treatment is to be taken care of or not taken care of?

General BRADLEY. No, sir; because the law says we will take care of service-connected cases first; then, if beds are available, we will take care of non-service-connected cases. And, since you passed that law, you have proceeded to provide additional beds to take care of non-service-connected cases, but we do not know how far you want to go in it. So we cannot furnish full hospitalization to every veteran now with the size staff we have. Many of us think there is a limit to the number of beds you can fully staff with Government employees.

Mr. SHEPPARD. Are you taking care of all patients who are determined as service-connected?

General BRADLEY. Oh, yes, sir. We take those in at once. The waiting list is composed almost entirely of non-service-connected cases. I say "almost entirely" because almost always on any one day there are a few service-connected cases awaiting admission; so, if you take the report of any one day, you will find a couple of hundred

are waiting to get into specific hospitals, some awaiting travel authority from us, if it is a service-connected case. I believe at the last report there were approximately 20,000 awaiting hospitalization, but that is mostly non-service-connected cases.

Mr. SHEPPARD. Going to the expenditure category that we are discussing, what do you figure it is costing the taxpayers by not having a definite analysis of the acceptability of patients?

General BRADLEY. I do not think it is costing anything extra, if you are going to take care of the great number of patients. As I say, some day I think you are going to have to define that; otherwise, it is going to get so large, as these veterans get older, that it will be almost impossible to take care of them.

EFFECT OF NON-SERVICE-CONNECTED CASES UPON BED AVAILABILITY

Mr. SHEPPARD. Under the program you indicated a few moments ago, I interpret your construction program as having to do not with service-connected cases as such, but the potentialities outside of that category, to wit, non-service-connected cases, and that construction program was basically required by nonservice treatment. Is that correct or incorrect?

General BRADLEY. That is not correct by some 33,000 general medical and surgical hospital beds at the present time. Less than 20 percent of them are service-connected. In your TB hospitals about 50 percent of them are service-connected; in the neuro-psychiatric hospitals about 40 percent are service-connected and 60 percent non-service-connected.

I would like to point out the statistics show that for long-treatment hospitalization, like tuberculosis patients and mental patients, NP patients, about 98 percent of them have to be taken care of in some agency, anyway. In other words, only about 2 percent of them can be taken care of by the family itself.

Mr. SHEPPARD. Then I interpret your answer as follows: That the present hospital beds available, not considering the construction program, but the already established hospitals throughout the country, are capable of taking care of service-connected requirements if cut off as of today?

General BRADLEY. That is correct.

Dr. HAWLEY. And probably from this time on.

Mr. SHEPPARD. Then your expansion program, to whatever degree it is involved, is made necessary by the non-service-connected type of case?

General BRADLEY. That is correct.

HOSPITAL CONSTRUCTION PROGRAM

Mr. SHEPPARD. What is the present cost of your expansion program as reflected by the past fiscal-year operations and as might be reflected in the presentation here today?

General BRADLEY. I think I can answer that better in this way: Of the seventy-some-odd hospitals authorized in the last Congress, our estimate of the cost is about \$772,000,000, and the 15 hospitals which are in the 1948 program, which is now before your committee, about \$237,000,000, as I remember the round figures.

CONTRACTS OF HOSPITALS

Mr. SHEPPARD. How much of the contracts for new hospitals have actually been let as of this date?

General BRADLEY. Contracts have been let on 7 of them for the construction part of them; contracts have been let to civilian architects for preparing plans on approximately 55 more. I do not have the figures with me.

Mr. SHEPPARD. And that would involve a total of how much money in the over-all picture?

General BRADLEY. For all the hospitals?

Mr. SHEPPARD. For all in the construction contract-let category; not in the blueprint or contemplated blueprint category.

General BRADLEY. I do not have the figures on those seven. I think construction has already started.

Mr. SHEPPARD. Mr. Chairman, would there be objection to that figure being inserted in the record at this point for the benefit of the committee?

The CHAIRMAN. We would be very glad to have it.

(The information is as follows:)

Hospital and domiciliary facilities, VA—List of hospitals from revised 76 new hospital program for which construction contracts have been awarded, as of Mar. 31, 1947

Location	Number of beds and type	Amount of contract
Providence, R. I. (general medical).....	400	\$4, 894, 829
Sioux Falls, S. Dak. (general medical).....	300	3, 777, 000
Peekskill, N. Y. (NP).....	1, 984	22, 400, 456
Grand Junction, Colo. (general medical).....	150	3, 406, 000
Brooklyn, N. Y. (general medical).....	1, 000	11, 623, 840
Albany, N. Y. (general medical).....	1, 000	21, 272, 373
Buffalo, N. Y. (general medical).....	1, 000	31, 296, 409

¹ Advance contracts for structural steel, excavation, and piling.

² Advance contract for structural steel, H-piling, and site preparation.

³ Advance contract for structural steel and foundation work.

NUMBER OF BEDS PRESENTLY AVAILABLE

Mr. STEFAN. What is the total number presently in use?

General BRADLEY. At the present time we have 126 hospitals in operation.

Mr. SHEPPARD. And a total of how many beds on that number of hospitals?

Dr. HAWLEY. One hundred and two thousand beds.

The CHAIRMAN. And how many out of that 102,000 are occupied by service-connected cases?

Dr. HAWLEY. Approximately 35 percent, or 36,000.

The CHAIRMAN. And for how many beds have you had funds provided to construct?

General BRADLEY. Enough to bring our total beds to 140,000. And I might add that part of that 102,000 is temporary construction in hospitals we have taken over from the Army and Navy. I do not have the exact figures, but approximately 50,000.

Mr. SHEPPARD. Could you add the figure at that point, please?

General BRADLEY. Yes.

Mr. SHEPPARD. And also indicate the amount of temporary hospitals that go to make up that figure?

General BRADLEY. Yes.

(The information is as follows:)

Bed capacity in VA hospitals

Type of beds	Presently available, Apr. 30, 1947			Capacity of 75 new hospitals	Total including new hospitals
	Total	Permanent construction	Temporary construction ¹		
Total.....	101,822	84,966	16,866	39,889	141,711
Tuberculosis.....	11,040	8,668	2,372	² 2,488	13,528
Neuropsychiatric.....	55,481	51,976	3,505	14,985	70,466
General medical and surgical.....	35,301	24,312	10,989	22,416	57,717

¹ Includes 3 temporary hospitals absorbed by existing permanent hospitals as follows: 766 temporary beds at Downey, Ill.; 250 temporary beds at Minneapolis, Minn.; 600 temporary beds at Vancouver, Wash.—annex to Portland, Oreg.

² Includes 308 tuberculosis-neuropsychiatric beds.

Mr. STEFAN. You have presently 126 hospitals with a total of 102,000 beds, exclusive of the 70 hospitals authorized by the last Congress and exclusive of the 15 hospitals authorized for 1948?

General BRADLEY. That is correct. If both of these programs were carried to completion, we would have approximately 150,000 beds of permanent fire-proof construction, not counting the temporary or semipermanent hospitals that we took over as surplus from the Army and Navy.

The CHAIRMAN. And most of the temporaries have been taken over with the idea of filling the gap?

General BRADLEY. Yes, sir; because they are very expensive to operate, require considerably more personnel, and they are deteriorating very rapidly. They were constructed hurriedly during the war, some with green material.

The CHAIRMAN. They are makeshifts more than permanent structures?

General BRADLEY. Yes, sir; and we took them over to fill the gap until we had hospitals constructed, because of the demand for hospitalization.

DISCUSSION OF NEED FOR CONGRESSIONAL ACTION LIMITING NON-SERVICE-CONNECTED HOSPITALIZATION

Mr. SHEPPARD. Your chief difficulty, as I analyze it from the statement you have made, depends upon what Congress is going to do to establish a line of demarcation for the treatment of the non-service-connected category of patients. That is the unknown problem factor with which you have to deal at this time, and a rather expensive one, is it not?

General BRADLEY. Yes, sir. I would like to make two points there. One is we would hope you would never limit this entirely to service-connected cases, because, if you do, we will have great difficulty of getting qualified doctors to take care of our service-connected cases that will become more or less chronic, and you cannot interest

these doctors in taking care of chronic cases. They have to have a certain number of others, which brings me to my second point, that is, that under the present law a man signs a statement that he cannot afford hospitalization. I should have brought that out awhile ago. There is a bed available, and the man has to sign a statement that he cannot afford hospitalization, and we are not allowed to go in back of that statement that he cannot afford it. That is according to the law.

Mr. SHEPPARD. You mean the limit you can go to for acceptability is predicated upon the man's physical condition exclusively?

General BRADLEY. And his mere willingness to sign a statement that he cannot afford hospitalization. Many of them can sign that with a free conscience when they have a considerable income, because when they go in the hospital they do not know how long they are going to be there; but apparently some use that, and I think rightfully so, as a reason for signing such a statement, when we are not allowed to go back of it.

Mr. SHEPPARD. Have you had any research conducted within the department itself, wherein you figure these people who handle the cases are and should be better equipped to reach a line of demarcation than many Members of Congress, at least so far as I am concerned—I would take that position myself; I am not speaking for other Members of Congress—have you people ever made a research into the proposal of the extent you feel you could sooner or later make a recommendation as to where the line of demarcation should be drawn?

General BRADLEY. I do not think you can do it medically; I think it has to be done more on the man's ability to pay. I suspect when you passed that law in 1924, you had in mind taking care of service-connected cases and indigent veterans who could not afford to pay anything.

Mr. SHEPPARD. That was my personal assumption; I do not know anything about the others.

General BRADLEY. It has gone beyond that now, so that all of our veterans who come into our hospitals are not indigent veterans, even though they are service-connected cases.

Mr. SHEPPARD. You have brought out some very interesting factors that might be well worth consideration. Thank you.

NUMBER OF BEDS PRESENTLY AUTHORIZED OR AVAILABLE

Mr. STEFAN. How many beds are there in the 70 hospitals authorized by Congress, General?

General BRADLEY. I do not have the exact figures.

Mr. STEFAN. Approximately?

General BRADLEY. Approximately 39,000.

Mr. STEFAN. And in the 15?

General BRADLEY. A little over 11,000—11,900, approximately.

Mr. STEFAN. Then you are close to the 300,000 figure for 1975, are you not? You said 300,000 beds, did you not?

General BRADLEY. No, sir; we have 102,000 now plus about 50,000, which makes 152,000.

Mr. STEFAN. Oh, I got those figures wrong. Excuse me. That would be 165,000 beds. You have a long way to go to reach 300,000 by 1975.

General BRADLEY. And in that 165,000 are included temporary and semipermanent beds which we will have to abandon as soon as permanent construction is available.

Mr. STEFAN. And you say you have 20,000 non-service-connected cases waiting every day to have some attention. Will that backlog be caught up with these additional 80 hospitals?

Dr. HAWLEY. Yes, sir.

Mr. STEFAN. That will take care of them?

INCREASE IN EFFICIENCY OF OPERATION OF BEDS

Dr. HAWLEY. Yes, sir; easily. And may I say that estimate of 300,000 as made two years ago by actuaries of the Bureau of the Budget and the Federal Board of Hospitalization was based upon the efficiency of the operation of those beds at that time and, since that time, we have greatly increased the efficiency of operation of the beds, so that we are treating anywhere up to 50 percent more patients in that same number of beds per year than has ever been done before.

For example, in the past 12 months, more mental cases of World War II veterans have been discharged from the hospitals than were admitted; and in the month of March more mental cases of all categories, of all wars, were discharged from our hospitals than were admitted. And that has never happened before.

The CHAIRMAN. That means you are actually curing some of them?

Dr. HAWLEY. Exactly; that means we are curing some of them.

The CHAIRMAN. Do a good many of them come back?

Dr. HAWLEY. A certain proportion come back, but by no means do all come back.

The CHAIRMAN. What percentage do come back?

Dr. HAWLEY. We have not operated long enough to know, but I will insert in the record what our experience was of last year.

Mr. STEFAN. You should know the approximate percentage of returnees.

Dr. HAWLEY. Yes, sir; it will be a very small percentage. During the 1946 fiscal year approximately 36 percent of all NP admissions were readmissions.

BACKLOG OF NON-SERVICE-CONNECTED CASES

Mr. STEFAN. This backlog of 20,000 non-service-connected cases—your line there is going to go up, is it not?

Dr. HAWLEY. No, sir; it is coming down.

General BRADLEY. No; Mr. Stefan means the number of patients. As the veterans get older, there may be more hospitalization per veteran.

Dr. HAWLEY. Oh, yes. I think that is to be expected, but it has been reduced in past years.

Mr. STEFAN. But with these 85 hospitals you think you will take care of all of them—service-connected and non-service-connected?

Dr. HAWLEY. No; not under the present policy.

Mr. STEFAN. You stated that you would be able to take care of those.

Dr. HAWLEY. I said that it would soon eat up that backlog; I am sure it will.

Mr. STEFAN. When will you be able to eliminate that backlog under the present building program?

Dr. HAWLEY. Right now, the backlog of 20,000—if we had 20,000 more beds, we would eat it up in 1 month.

BREAK-DOWN OF HOSPITALS, BEDS, AND PATIENTS BY CATEGORIES

The CHAIRMAN. I am going to ask if you can put in the record a table at this point showing the number of hospitals; in the first column, the type of hospital; that is, whether an NP hospital or a TB hospital or a medical and surgical hospital. In the second column, the number of beds that you have for each of those three classes. In the next column, the number of patients actually in these hospitals; that would be the number of patients who are TB's, NP's and general medical and surgical. In a fourth column the number of those patients that are service-connected. Could you do that without too much trouble?

General BRADLEY. Yes, sir.

(The matter referred to is as follows:)

AVAILABLE BEDS AND PATIENTS IN VETERANS' ADMINISTRATION HOSPITALS AS OF APRIL 30, 1947

The attached tables give the details of available beds and patients remaining in the 126 Veterans' Administration hospitals on April 30, 1947.

Each hospital has been coded by basic type, as follows:

TB-----	Tuberculosis.
NP-----	Neuropsychiatric.
GM&S-----	General Medical and Surgical.

For each hospital, available beds have been shown broken down by medical service. Patients remaining in hospital as of April 30 are listed under one of the four major classifications of type of patient—tuberculosis, psychotic, other neuropsychiatric which includes the organic neurological and psychoneurotic patients, or general medical and surgical. For each classification of patients is shown both the total number of such patients and the number whose disabilities have been determined to be service-connected.

In the entire Veterans' Administration hospital system there were 91,800 patients on April 30, 1947, including 706 veterans, in hospital for observation and temporary hospitalization and 268 nonveterans. All patients have been shown in the attached tables classified by type of disability. The observation cases are included in the total shown as GM&S but are excluded from the counts of service-connected.

These patients may also be classified by medical service by which they are being treated. The difference between the two methods of classification can be readily grasped by considering the case of a tuberculous patient undergoing a surgical operation at the time the hospital census is made. Such a patient would be included under the category of TB in any classification of major diagnosis of disability, but would be included under the category of GM&S in any classification by medical service since he would be on a surgical service at the time. While the two methods of classification will give somewhat different results for the categories of TB, Psychotic, Other NP, and GM&S at any particular time, the total number of patients will, of course, always be the same.

The following table shows the number of patients in each category as of April 30, 1947, for each of the two methods of classification:

	Patients classified by major diagnosis	Patients classified by medical service
Total-----	91, 800	91, 800
TB-----	9, 734	9, 414
Psychotic-----	45, 231	45, 236
Other NP-----	6, 601	6, 341
GM & S-----	30, 234	30, 809

Available beds and patients in Veterans' Administration hospitals as of Apr. 30, 1947

Hospital	Type	Available beds ¹				Patients remaining in hospitals								
		Total	TB	Neuropsychiatric		GM&S	Total		Tuberculosis		Neuropsychiatric		GM&S ²	
				Psy- chotic	Other NP		Service- con- nected	Total	Service- con- nected	Psychotic		Other		
										Total	Service- con- nected	Total	Service- con- nected	
Grand total		101,822	11,040	48,701	6,780	35,301	91,800	30,610	45,231	19,645	6,601	30,234	4,911	
Albuquerque, N. Mex.	GM&S	306	105	8	26	167	272	89	57	3	24	5	144	24
Alexandria, La.	GM&S	625	337			288	525	88	258				267	30
Amarillo, Tex.	GM&S	187			22	165	159	15				6	147	9
American Lake, Wash.	NP	925		877	41	7	861	371	810	358	41	13	10	
Aspinwall, Pa.	GM&S	951	97	8	37	809	886	201	86	1	37	20	755	165
Atlanta, Ga.	GM&S	269	8		39	222	253	34	7		39	4	207	29
Augusta, Ga.	NP	1,405		1,359	46		1,375	675		326	46	6	3	
Batavia, N. Y.	GM&S	294			51	243	281	39	3		51	2	227	36
Bath, N. Y.	GM&S	353		4	59	290	362	29	4		59	6	297	23
Bay Pines, Fla.	GM&S	440		5	82	353	416	40	1	1	79	11	324	27
Bedford, Mass.	NP	1,822		1,807	15		1,830	952		1,815	15	3		
Biloxi, Miss.	GM&S	238		3	44	191	216	35	7	3	22	9	184	24
Boise, Idaho	GM&S	263			12	251	194	41	2	1	11	4	180	36
Brocksville, Ohio.	TB	172	172				157	110	156				1	
Bronx, N. Y.	GM&S	1,666	70	16	274	1,306	1,479	321	111	6	257	115	1,097	191
Brooklyn, N. Y.	GM&S	290			43	247	220	32	220	9	43	9	177	23
Butler, Pa.	GM&S	800	300			500	701	266	236	4	21	9	440	173
Canandaigua, N. Y.	NP	1,745		1,739	6		1,598	690		1,592	690			
Castle Point, N. Y.	TB	619	619				588	189	583				5	
Chamblee, Ga.	GM&S	550	24	20	55	451	509	100	21	4	50	17	423	74
Cheyenne, Wyo.	GM&S	201		2	21	178	149	16	1		21	3	125	13
Chillicothe, Ohio.	NP	2,262		2,228	32	2	2,156	823	2,120	812	32	10	4	
Cleveland, Ohio.	GM&S	964			111	764	826	310	65	38	80	20	681	252
Coatesville, Pa.	NP	2,119		2,084	32	3	2,049	1,023	2,014	1,007	32	16	5	
Columbia, S. C.	GM&S	703	65		47	591	628	72	51		47	2	530	45
Dallas, Tex.	GM&S	365	3		56	306	339	49	3		56	6	280	42
Danville, Ill.	NP	2,045		1,935	92	18	1,907	734	1,797	714	92	18	18	2
Dayton, Ohio.	GM&S	1,058	242	67	70	679	1,008	87	226	57	3	5	655	47
Dearborn, Mich.	GM&S	455	2	9	44	400	457	74	32	9	70	44	402	50
Des Moines, Iowa.	GM&S	452	6	2	53	391	426	80	6	2	53	13	365	67

See footnotes at end of table, p. 54.

Available beds and patients in Veterans' Administration hospitals as of Apr. 30, 1947—Continued

Hospital	Available beds ¹			Patients remaining in hospitals												
	Type	Total	TB	Neuropsychiatric		GM&S	Total		Tuberculosis		Neuropsychiatric				GM&S ²	
				Psy- chotic	Other NP		Service- con- nected	Total	Service- con- nected	Total	Psychotic	Other	Service- con- nected	Total		
Downey, Ill.	NP	2,309	1	2,227	45	37	2,137	939	1	1	934	16	29	5		
Dwight, Ill.	GM&S	205	245		41	163	201	38				41	159	31		
Excelsior Springs, Mo.	TB	253				8	222	102	213	100			9	2		
Fargo, N. Dak.	GM&S	197			20	177	186	59	1	1		20	165	54		
Fayetteville, Ark.	GM&S	305	3	3	12	287	252	17	3	3		12	234	11		
Fayetteville, N. C.	GM&S	310		16	34	257	272	86	3	2	4	28	225	75		
Ft. Bayard, N. Mex.	TB	285	218		3	64	196	68	144	58		3	49	10		
Ft. Custer, Mich.	NP	2,174		2,090	64	20	1,997	646			1,913	637	20	4		
Ft. Benj. Harrison, Ind.	GM&S	500			25	475	372	38	9	5		25	338	26		
Ft. Harrison, Mont.	GM&S	238			13	221	196	27	7	1		13	172	23		
Ft. Howard, Md.	GM&S	443		7	40	396	387	87	38	7		40	302	66		
Ft. Logan, Colo.	GM&S			6		268	243	59	21	15		3	216	41		
Fort Lyon, Colo.	NP	1,103		1,089	11		997	369			983	365	11			
Fort Meade, S. Dak.	NP	720		675	36	9	597	218			557	218	3			
Framingham, Mass.	GM&S	1,000		87	320	593	762	290	14		81	28	208			
Gulfsport, Miss.	NP	1,098		998	99	1	1,070	436			970	412	399	88		
Hines, Ill.	GM&S	3,250	400	39	718	2,093	2,825	462	294	58	18	648	1,865	133		
Hot Springs, S. Dak.	GM&S	270	67			203	241	40	59	20	1	28	1	19		
Huntington, W. Va.	GM&S	290	7	2	33	248	284	44	6	1	15	7	243	31		
Indianapolis, Ind.	GM&S	344	8		13	323	322	49	7	1		14	301	8		
Jackson, Miss.	GM&S	650				650	468	64	13	9		19	436	49		
Jefferson Bks., Mo.	GM&S	724	16	27	83	598	676	120	16	5	27	8	550	94		
Keokoughtan, Va.	GM&S	529		25	48	456	512	54	38	6	25	3	401	42		
Knoxville, Iowa	NP	1,776		1,747	29		1,663	738	10	3	1,629	728	3			
Lake City, Fla.	GM&S	378		12	40	326	331	77	11	4	12	38	270	64		
Legion, Tex.	TB	402	363			39	343	153	303	140			40	13		
Lexington, Ky.	NP	1,187		643	470	74	959	370	1	1	786	356	29	3		
Lincoln, Nebr.	GM&S	340	1	1	46	292	304	47	1	1	1	45	257	36		
Livermore, Calif.	TB	452	448			4	417	163	414	163			3			
Los Angeles, Calif.	GM&S	3,661		1,596	491	1,574	3,112	609	42	11	1,415	475	1,164	67		
Louisville, Ky.	GM&S	93	42	66		801	774	130	41	9	19	5	1,657	103		
Lyons, N. J.	NP	2,390		2,023	24	367	2,321	742			2,005	739	83	2		
McKinney, Tex.	GM&S	683	149	10	68	456	586	239	115	59	6	5	31	141		
Marion, Ill.	GM&S	202			14	188	178	23	6	2		14	158	17		

Marion, Ind.	NP	1,959	1	1,894	55	9	1,852	765	1	100	1,787	756	53	9	11
Martinsburg, W. Va.	GM&S	582	190	27	46	319	171	194	177	100	29	16	32	21	223
Memphis, Tenn.	TB	1,436	106			93	171	34	78	28	157	58	74	16	57
Memphis, Tenn. (Kennedy)	GM&S		44	161		1,157	1,436	404	44	15	166	92	24	5	315
Mendota, Wis.	NP	257		230	74	3	193	97		1	1				
Miami Beach, Fla.	GM&S	300			24	268	316	32	15		37	7	29	5	272
Minneapolis, Minn.	GM&S	893		37	32	138	949	203	176	61	1		137	33	599
Montgomery, Ala.	GM&S	300			29	271	256	62	13	3	1		28	12	214
Mountain Home, Tenn.	GM&S	611		33	38	511	528	63	17	3	24	2	38	2	449
Murfreesboro, Tenn.	NP	894	29	801	21	12	927	494			894	492	21	2	12
Muskogee, Okla.	GM&S	384	3	3	51	327	337	42	3		3	1	48	15	253
Nashville, Tenn.	GM&S	412				412	364	31		5					364
Newington, Conn.	GM&S	387	13			347	285	32	13		23	5	27	8	245
New Orleans, La.	GM&S	502			24	460	389	76	29	12			30	10	307
Northampton, Mass.	NP	1,093		18			1,069	594							
North Little Rock, Ark.	NP	1,732		1,040	84	8	1,683	701			1,069	594	84	19	16
Northport, Long Island, N. Y.	NP	2,792		2,745	41	6	2,599	1,710			1,583	677	41	23	7
Oakland, Calif.	GM&S	609	72	36		501	532	68	70	16	2,551	1,687	23	6	420
Oklahoma City, Okla.	GM&S	220	12	1	13	194	204	60	4	1	1		9	2	190
Oteen, N. C.	TB	906	979			17	764	401	744	395					24
Ourwood, Ky.	TB	376	350			26	330	121	317	119					66
Palo Alto, Calif.	NP	1,473		1,443	26	4	1,429	671			1,399	655	26	15	4
Perry Point, Md.	NP	1,669		1,490	175		1,629	688			1,450	670	175	18	1
Phoenix, Ariz.	GM&S	144				144	156	24							24
Portland, Oreg.	GM&S	515				458	476	66							156
Annex Vancouver, Wash. ³	GM&S	600	132			488	448	62	98	32					476
Reno, Nev.	GM&S	31			2	29	31	4							30
Richmond, Va.	GM&S	1,000	200	37	104	659	881	404	200	103	38	15	103	32	540
Roanoke, Va.	NP	1,959		1,638	172	149	1,839	496			1,559	434	172	47	254
Roseburg, Oreg.	NP	670		670			606	229			565	218	29	9	108
Rutland Heights, Mass.	TB	498	498				471	200	471	200					12
St. Cloud, Minn.	NP	1,441		1,437		4	1,332	708			1,328	708			4
Salt Lake City, Utah	GM&S	194	2	2	2	188	169	11	2		2		2		163
Sampson, N. Y.	TB	400	377			23	361	257	359	257					2
San Fernando, Calif.	TB	394	385			9	359	210	350	206					9
San Francisco, Calif.	GM&S	357			12	345	329	57	3	2	2	1	10	9	314
San Juan, P. R.	GM&S	200				200	132	6							192
Saratoga Springs, N. Y.	GM&S	50				50	609	305							40
Sheridan, Wyo.	NP	819		767	2	50	78	78			676	304	2	1	21
Springfield, Mo.	TB	256	228			28	178	71							28
Staten Island, N. Y.	GM&S	868		152		716	711	213	150	74	152	63	7	4	541
Summit, N. Y.	TB	573	559			14	434	210	419	208					15
Swannanoa, N. C.	TB	750	604			145	473	250	336	239			1		136
Temple, Tex.	GM&S	516			1	426	511	85	94	41			17	4	400
Thomasville, Ga.	GM&S	300	89			211	241	36	88	25	2	1	3	2	148
Togus, Maine	NP	924	18	574		323	764	266	7	2	490	223	9	2	258
Tonah, Wis.	NP	757			9	7	286	80			279	79	7	1	39
Topeka	NP	1,223		730	134	349	984	333	2	2	480	204	294	82	208
Tucson, Ariz.	TB	428	289			13	388	167	268	144			13	2	107
Tuscaloosa, Ala.	NP	728		507	135	86	716	253	4		502	226	135	22	75

See footnotes at end of table, p. 54.

USE OF SURPLUS ARMY AND NAVY HOSPITALS

The CHAIRMAN. Are you not insisting too much on the necessity of hospitals being near some medical center, in connection with the use of Army and Navy hospitals? I am wondering if that is not so, from the standpoint of present conditions.

General BRADLEY. You mean the ones we take over?

The CHAIRMAN. Yes. I appreciate that that should be the case where you are building new ones, but if you can get a pretty good hospital and it is possible to staff it, considering conditions as they are, with the difficulty of building hospitals, would it not be better to use them?

Dr. HAWLEY. The answer to that is yes, if it were possible to staff them. The difficulty is in staffing with high-class doctors; and that is a difficulty of housing. Most of these surplus Army and Navy hospitals were built around small towns, where there is absolutely no housing. Nurses will not go out in the country to work. As far as plant is concerned, the plant is entirely adequate, even though it is more expensive to operate. It is only a question of proper staffing. If we attempted to staff many of these hospitals, we would have to have a third-rate staff, doctors who wanted to work for us because they could make more money with us than they could in private practice. That has been our experience, sir. We can give you examples of that; there is one hospital where we were forced to move out; we tried it for 6 months; we tried to staff that hospital and were utterly unable to get staffed.

Mr. SHEPPARD. Where was that located?

Dr. HAWLEY. Thomasville, Ga., sir.

The CHAIRMAN. How did it ever come to be built there?

Dr. HAWLEY. Of course, the Army's and Navy's requirements for hospitals were considerably different than ours. Their personnel were under military orders, in the first place. They had no choice. They go where they are ordered to. We have to go into the market and employ people who will go voluntarily to any of our hospitals.

In the second place, there are advantages in the military service in having hospitals away from large cities; for instance, in your convalescent patients, they are apt to get into more trouble around cities than around small towns. So that the very criteria which determined the location of an Army or a Navy hospital are quite different than for a Veterans' Administration hospital.

USE OF DOMICILIARY FACILITIES

The CHAIRMAN. Let me ask you this: Is proper consideration being given by the Veterans' Administration to the idea of taking patients who get to be ambulatory and putting them in some kind of a domiciliary institution, where the expense would be much less, rather than keeping them in these expensive hospitals where you have to have big staffs and where facilities are set up to take care of urgent cases?

Dr. HAWLEY. Very much so, sir. The only reason it has not been done more up until this time is lack of proper facilities in the domiciliary home to take care of some of these patients. Those who are ambulatory and can go to their meals, and look after themselves

and need only out-patient treatment, are going to domiciliary homes. But there is an intermediate class of patient who does not require much doctor care and very little nursing; but he does have to have attendants. That is, he cannot take care of himself. In other words, it is a home for incurables.

Without in any way committing the Administrator to any program, it seems to me that after these holes are plugged by the building of new hospitals, for the next 15 or 20 years building of hospitals in the Veterans' Administration could well be limited to the construction of a cheap type of building; a domiciliary home where—if there are enough of them, a sort of home for incurables, where they can be given attendant care and their food brought to them and where they can be cared for at considerably less expense. And the buildings themselves would be a much less expensive type of building. That is not possible today for the reason that we do not now have enough beds in that type of building.

At Bath, N. Y., we are opening just that type of building, intermediate between the hospital and the barracks and if we had more of that type of building, we would do much more of it now.

I might say that it will take some education of the families of veterans, because once a veteran has been in a hospital, in a certain place, for some months, or a year, there is considerable objection on the part of the family to moving him elsewhere. Here in Washington, for example—and again I do not know what the Administrator's plan is, but when a new hospital is constructed in Washington you might well take Mount Alto for that type of case. It would take a small staff. It does not move the man whose family is here away from Washington. The building at Mount Alto could be well employed for that type of case at much less expense. That would result in practically the same thing as building 25 percent additional acute beds, because it will free the beds in the well-equipped, well-staffed hospital, which is the same as if we went out and built more hospitals.

General BRADLEY. There is one other angle to that; not all of these ambulatory patients necessarily stay there the rest of their lives. We have been trying to rehabilitate as large a percentage of those as possible.

The CHAIRMAN. I was not trying to urge that we take care of them for the rest of their lives. But if they get to the point where they really do not need that expensive hospital care, and have not a home to go to, lots of times until they are ready—they may need 6 weeks or 2 months of recuperation—in the sort of place the doctor mentions, which would be less expensive.

Dr. HAWLEY. And would be just as adequate.

The CHAIRMAN. And better, because the patient would be in a better atmosphere than where there were so many that were really ill.

Dr. HAWLEY. We agree with that, Mr. Chairman, and we are working toward that end. We are doing that in parts of some hospitals.

General BRADLEY. In other words, you do not staff the whole hospital for the treatment of acute cases. You staff part of it for the treatment of acute cases and part of it to take care of these so-called frozen bed cases which require less medical care but considerable nursing.

NEED FOR DIVERSIFICATION OF CASES FOR MEDICAL AND SURGICAL STAFF

Mr. SHEPPARD. I believe, General, in your statement of a few moments ago, you commented on the fact that you wanted to keep a certain number of so-called non-service-connected patients, because of the fact that the attending physician or surgeon had a diversification of treatments; I assumed from your statement that if there were not such a diversification that you would have more difficulty in maintaining your medical and surgical staff; is that correct?

General BRADLEY. That is correct.

Mr. SHEPPARD. Then I can only assume, from that, that so far as those persons are concerned, to whom you refer as in that category, that they are really practicing for the purpose of enlarging their experience for the purpose of private practice or else they are not specializing in certain types of cases as such; is that a reasonable assumption?

Dr. HAWLEY. No, sir; if I may say so. It is not a question of increasing their experience, sir. It is a question of keeping their interest aroused.

Mr. SHEPPARD. I see. In other words, do you feel that a physician who is practicing, let us say in a tuberculosis hospital and whose patients are 90 to 100 percent in that category, is apt to lose interest in that practice because of the sameness of it day after day?

Dr. HAWLEY. I should say that if he got no acute cases of tuberculosis for treatment after his interest had been aroused by the use of streptomycin in tuberculosis—his interest would lag very much if he got nothing but chronic terminal cases.

Mr. SHEPPARD. In other words, specialization is not too much a consideration so far as the practicing physician in the organization is concerned?

Dr. HAWLEY. No, sir.

Mr. SHEPPARD. That is unfortunate, because I have always understood that a man who followed a certain line of practice in both surgery and medicine, and particularly medicine, and specialized in it, was considered the better man than a general practitioner.

Dr. HAWLEY. That is true, sir; but perhaps I did not get your first question. There are but very few people in the practice of medicine who specialize in chronic incurable diseases. There are a few, and we hope to maintain the interest of a very small number of doctors who may get interested in the diseases of old age, in which there has been very little research. But I do not think you could get the great bulk interested; take surgeons, for example. If all they ever saw was an occasional break-down of an old osteomyelitis, and never saw an acute abdomen, or any other acute condition, I think his interest would lag considerably. It is not a question of specialization in any one age group, but a specialization in the diseases within a larger specialty.

Mr. SHEPPARD. In other words, if we are discussing tuberculosis, it would be more the diversification of the treatment of the disease, in the operation on the body of the patient itself, on the question of whether interest lagged or continued to be excited.

Dr. HAWLEY. That is right. It is the difference between seeing only chronic terminal cases, of of whom are doomed to die in the

near future, or seeing a mixture of all types of cases with some in the acute stage, where there are those for whom something can be done.

Mr. SHEPPARD. What is the average age of the physician or surgeon who is presently coming into the service?

Dr. HAWLEY. It is older than ever before in our history, if you except the residents in training, for the reason that for the first time, under Public 293 of the last Congress, we are able to attract men already trained, well trained, who have an interest in their profession, instead of having to depend on younger men coming into the service and then being trained. Then, with the demobilization of the armed forces, there are men in all age groups who, for one reason or another, prefer to come to the Veterans' Administration rather than to reestablish themselves in private practice.

AVERAGE SALARIES OF PHYSICIANS

Mr. SHEPPARD. By the way, I should know, but I have forgotten. What is your average beginning salary and your average maximum salary of physicians and surgeons?

Dr. HAWLEY. It is about \$4,100 as the lowest and \$10,000 plus \$1,000 for certification by a specialty board, for the highest.

Mr. SHEPPARD. Of course, they have certain emoluments, such as retirement, that go along with it?

Dr. HAWLEY. They have the same retirement benefits as the civil service, with deductions from their salary. They are in the Government retirement scheme.

Mr. SHEPPARD. Then the man who would come in the \$10,000 bracket, with the other emoluments, would have to make in private life an income net of around \$20,000 to \$25,000 a year, to match?

Dr. HAWLEY. Net? I do not know.

Mr. SHEPPARD. When I made that statement, I had this in mind. The private physician does not have the various emoluments to which I referred, which the physician in government has, and has certain overhead, such as his office, and so forth.

Dr. HAWLEY. That is why I wanted to define "net." We think a salary of \$10,000 in the Veterans' Administration is equivalent to \$20,000 to \$25,000 gross collections on the outside.

Mr. SHEPPARD. I think your statement is more accurate than mine. However, it does occur to me, that if you are having difficulties in getting people who are competent, that perhaps in 18 to 24 months from now that condition may reverse itself.

Dr. HAWLEY. It will, except for this. We do not think that we have anybody at \$10,000 now who could not, even with conditions much worse on the outside, gross \$20,000 to \$25,000, and some of the people we have at \$10,000 could do even better than that.

Mr. SHEPPARD. Under the present conditions, undoubtedly you are correct. But I am wondering how long that condition will last. After World War I we had a let-down for about 3 years. Then after that conditions reversed themselves. The economy of the country has much to do with the availability of your material.

Dr. HAWLEY. That is right.

Mr. SHEPPARD. That is all; thank you.

HOSPITAL POPULATION

8

Mr. STEFAN. What is your patient population, now, General, in all these hospitals plus your contract hospitals?

Dr. HAWLEY. About 92,000 in our own hospitals and 14,220 in contract hospitals.

Mr. STEFAN. You have had a very slight increase since last year, have you not?

General BRADLEY. How many are there in the homes?

Dr. HAWLEY. About 14,000 in homes.

Mr. STEFAN. And about 14,000 in contract hospitals?

Dr. HAWLEY. Yes, sir.

Mr. STEFAN. That makes 106,000 —

Dr. HAWLEY. And about 14,000 in homes.

NUMBER OF EMPLOYEES IN HOSPITALS AND HOMES

Mr. STEFAN. What is your total employment? First, that gives you a patient population of 120,000 including homes?

Dr. HAWLEY. That is correct. The total number of patients being treated by the Veterans' Administration is 120,000, including those in homes. The total actual number of people employed in hospitals and homes of the Veterans' Administration is 88,772.

Mr. STEFAN. I was reading the hearings on your first deficiency bill for 1947 and I figure that you had practically one employee to each patient.

Dr. HAWLEY. The average is approximately that; yes, sir, for patients in hospitals.

Mr. STEFAN. General, what should be the average hospital employment per patient?

General BRADLEY. It varies with the type of hospital. In general medical and surgical hospitals we run a little less than seven-tenths of a patient for 1 employee. That is the way it works out.

Mr. STEFAN. You are over that requirement, then?

General BRADLEY. We are just about at the average requirement. For TB's it runs about 1 for 1 and for NP about 1.68 patients for 1 employee. So it averages out to about 1 employee per patient for 3 types.

Dr. HAWLEY. We do not furnish the personnel for the contract hospitals, you understand.

Mr. STEFAN. I realize that. Now, your population is 120,000, you say?

Dr. HAWLEY. Yes, sir.

Mr. STEFAN. Then you are about 2,000 above the number that you had during the hearings on the first deficiency for 1947. The number has increased by that much?

Dr. HAWLEY. Yes, sir.

General BRADLEY. The increase has been in contract hospitals, has it not?

DECREASE FOR CONTRACT HOSPITALIZATION

Mr. STEFAN. General Bradley, I notice that there is a decrease in the number of contract hospitals. Contract hospitalization has fallen

from \$34,696,451 to \$30,917,000. Is that because of lack of space at these hospitals?

General BRADLEY. I am afraid I do not understand the question.

Mr. STEFAN. I refer you to chart No. 11, the second sheet, General; item 8440. You will notice a decrease of \$3,778,000. Have you not been using these contract hospitals?

Dr. HAWLEY. No; that includes Army and Navy hospitals. At the time those estimates were made, both the Navy and the Army thought that they could give us more beds in their hospitals than they were able afterward to do, because of the limitation in their personnel. That is at the time these estimates were made.

Mr. STEFAN. Are these all Army and Navy?

Dr. HAWLEY. No, sir; not all. But that accounts for a great part of the decrease in the nonutilization of the fund. And then we were unable to get as many of the beds in contract hospitals as we had hoped to get, because private hospitals and State institutions are having difficulty getting enough staff and personnel.

Mr. STEFAN. They are crowded, too?

Dr. HAWLEY. Very crowded; yes. And they have a great number of beds not in operation because of staffing difficulties.

Mr. STEFAN. They have vacant beds because they cannot get the staff?

Dr. HAWLEY. Yes, sir; State tuberculosis hospitals, hospitals of that type, have a great number of beds that are not in operation, in this country, because of the difficulty in getting staff.

Mr. SHEPPARD. That is true of mental institutions, too; is it not?

Dr. HAWLEY. Yes; it is true of mental institutions, too.

USE OF AVAILABLE ARMY AND NAVY BEDS

The CHAIRMAN. I understood from Admiral Pugh, when he was here, that they had planned on a very large number of beds, and that you simply had not used them; that they were able to take care of the patients that they had told us they were going to be able to take care of.

Dr. HAWLEY. That is true up to a certain point. As I pointed out before, if they could select their cases, they might be able to fill their beds, but we are unable to select acute and chronic cases. When we need hospital beds in an area, they have got to be able to take care of any type of patient who may require hospitalization.

The CHAIRMAN. You mean that they are not equipped to take care of certain types of patients? What types?

Dr. HAWLEY. The chronic cases. They are not equipped to take care of mental cases, nor of many cases of tuberculosis. And they will not, as a matter of policy, accept the chronic type of patient.

The CHAIRMAN. The Navy told us that they had 4,000 or 5,000 surplus beds in their hospitals and that they were able to get staff to take care of the patients, but they could not understand why they were not getting them.

PATIENT COSTS PER DAY

They also told us that their patient cost per day was \$6.35 as against a cost for you of \$10 or \$12. Maybe they are not doing as good a job as you are, I do not know; I do not know anything about it. I am not competent to pass on that.

Dr. HAWLEY. May I point out that I read that testimony. They said that it was \$6.35 exclusive of military pay. If we would take our personnel cost out, we would be operating at \$5 a day. That is a very misleading statement.

Our last figure on the cost of operation in Navy hospitals is \$8.30 as against our \$8.33.

The CHAIRMAN. \$8.90, including military pay.

Dr. HAWLEY. Well, ours was \$8.33 and the Army's was \$8.30. Ours was \$8.33 and the Navy's was \$8.90. We must also consider the lower scale of pay in the military services.

The CHAIRMAN. You mean you pay less than they do?

Dr. HAWLEY. No; we pay more. The civil-service scales are higher.

INCREASE IN PERSONAL SERVICES OCCASIONED BY OVERTIME

The CHAIRMAN. There is one thing that occurred to me in connection with this estimate and that is that when you had your first revision in January, it was set up on a basis of 205,382 at \$573,357,575, or an average of \$2,790 apiece. Now it is set up on an average employment of 203,487, and \$583,442,885, or an average of \$2,867, an increase in the average pay of about \$77. Why would that be?

General BRADLEY. That is on account of overtime, sir.

The CHAIRMAN. The overtime had all occurred when January rolled around, or a good part of it; had it not?

General BRADLEY. No, sir. The average salary without overtime was \$2,696 and with overtime it was brought up to \$2,867.

The CHAIRMAN. General, you really could get along on about \$937,650,000 of this, could you not? It is not much money in the total, but that is about the truth, is it not? That is what we figure it would be, when we break it down.

General BRADLEY. Mr. Chairman, I am not sure; this is our best estimate on it.

The CHAIRMAN. That is what these figures came out to when we added them up.

General BRADLEY. Yes, sir. But when we set it at \$67,000,000, for June, that was a round figure and when broken down into these various categories, it added up to this. We may miss it \$1,000,000 or so either way, but this is the best estimate we have on it and we say that \$67,000,000, was a rough estimate of the bare minimum of what we would require in June, for allotment to all stations of the VA, and certainly does not afford any leeway for contingencies or unforeseen emergencies.

(Discussion off the record.)

The CHAIRMAN. That is all, gentlemen; thank you.

TUESDAY, JUNE 3, 1947.

TREASURY DEPARTMENT

SECRET SERVICE DIVISION

STATEMENTS OF J. J. MALONEY, CHIEF, SECRET SERVICE; JOHN WALKER, ASSISTANT TO THE CHIEF; FRED TANSILL, BUDGET OFFICER

REIMBURSEMENT TO DISTRICT OF COLUMBIA, BENEFIT PAYMENTS TO WHITE HOUSE POLICE AND SECRET SERVICE FORCES

The CHAIRMAN. We have an item here in House Document No. 226 for \$16,000 for reimbursement to the District of Columbia of benefit payments to White House Police and Secret Service forces, for the fiscal year 1947. That is for the retirement fund, is it?

Mr. MALONEY. Yes, sir; that is under Public Law 847.

The CHAIRMAN. What is the story on that?

Mr. MALONEY. It covers the additional men, above those we had in the estimate, taking their retirement this year. We have them listed by name, if you desire to have that.

The CHAIRMAN. This represents payments that are made to those who have this year retired?

Mr. MALONEY. Yes, sir.

The CHAIRMAN. And these people do not come under the regular retirement of the Government?

Mr. MALONEY. No, sir. They take advantage of Public Law 847 which allows them to transfer their funds over to the District of Columbia metropolitan firemen and police fund.

NEW ANNUITANTS ADDED DURING 1947

The CHAIRMAN. You may put in the record these two sheets which you have shown us containing the names and the pertinent money data. (The matter referred to is as follows:)

New annuitants added during fiscal year 1947

Name	Period	Amount	Name	Period	Amount
	<i>Months</i>			<i>Months</i>	
Banks.....	5	\$707.90	Smith.....	4	\$832.00
Costello.....	11	1,966.36			
Diers.....	12	1,700.00	Total.....		25,920.00
Leech.....	12	1,700.00	Less annuitants dropped dur-		
McGruder.....	12	1,700.00	ing fiscal year 1947.....		16,981.24
Marcy.....	11	2,302.30			
Miskavage.....	12	160.00			18,938.76
Mitchell.....	11	1,557.38	Less 14 percent increase already		
Nees.....	12	1,700.00	included in Public Law 390,		
Proctor.....	12	2,139.12	money requested.....		2,420.80
Regan.....	8	1,290.64			
Williams.....	12	1,700.00			16,517.96
Fredericks.....	12	2,388.24	Less deductions for retirement		
Slye.....	7	1,576.05	paid in for partial year.....		517.96
Wilson.....	6	2,500.00	Total required.....		16,000.00

Annnitants dropped during fiscal year:

Murphy.....	\$3,981.24
Sloan.....	720.00
Starling.....	720.00
Ford.....	840.00
Walters.....	720.00

Total..... 6,981.24

Deductions to be subtracted from payments

Name	Period	Rate	Amount
Banks.....	7 months.....	\$5.00 per month.....	\$35.00
Costello.....	1 month.....	\$6.25 per month.....	6.25
Marcy.....	1 month.....	\$7.33 per month.....	7.33
Regan.....	4 months.....	\$5.65 per month.....	22.60
Slye.....	5 months.....	\$7.88 per month.....	39.40
Wilson.....	6 months.....	\$15.00 per month.....	90.00
Smith.....	8 months.....	\$7.30 per month.....	58.40
Total.....			258.98
To adjust retirement to full rate of salary.....			258.98
Total.....			517.96

RATE OF EXPENDITURE

The CHAIRMAN. Was there an appropriation for this purpose last year?

Mr. MALONEY. Yes, sir.

The CHAIRMAN. How much was that?

Mr. TANSILL. \$45,000.

The CHAIRMAN. What is the status of that? Has it all been turned over to the District of Columbia?

Mr. TANSILL. Are you talking about 1946, Mr. Chairman?

The CHAIRMAN. I am talking about this year; you had \$45,000 appropriated?

Mr. TANSILL. That is right.

The CHAIRMAN. Is that all gone?

Mr. TANSILL. \$43,000 of it has been spent as of the end of February.

The CHAIRMAN. When did these people retire? May I have a look at that list?

Mr. MALONEY. Those are the ones that retired this year [indicating paper]. This [indicating] is the list of those that are already on retirement.

RETIREMENT BENEFITS

The CHAIRMAN. Do these people make contributions to the retirement fund, or do they not?

Mr. MALONEY. They make contributions up until the time they are separated from the service.

The CHAIRMAN. Is the annuity on a more liberal basis?

Mr. MALONEY. Than the regular fund?

The CHAIRMAN. Yes.

Mr. MALONEY. Yes. It is based on 25 years of service or 55 years of age, of which 10 years represents service at the White House.

The CHAIRMAN. There were 16 that were added and 5 that were dropped?

Mr. TANSILL. Yes, sir.

The CHAIRMAN. So the addition was \$25,920 and the subtraction was \$6,981.24?

Mr. TANSILL. That is right.

The CHAIRMAN. Their retirement benefit is quite a bit larger than the regular retirement, is it not?

Mr. MALONEY. It would be half pay, sir, at the end of 25 years of service and 55 years of age, with 10 years of their service in the protection of the President.

The CHAIRMAN. You mean, if they are working at the White House, they only need 10 years of service?

Mr. MALONEY. They need 25 years of total service of which 10 years must be at the White House.

DISCUSSION OF RETIREMENT PRIVILEGES UNDER PUBLIC LAW 847

Mr. KEEFE. I would like to understand this situation. Public 847 of the Seventy-sixth Congress is the purported authorization for this deficiency appropriation. This law provides that—

Whenever any member of the Metropolitan Police Department of the District of Columbia, or of the United States Park Police force, or of the White House Police force, or the Fire Department of the District of Columbia has served 25 years or more as a member of such department or police force, or the Fire Department of the District of Columbia, or any combination of such service, or whenever any member of the United States Secret Service, who has served 25 years in the service of the United States Government, the duties of whom in whole or in part related to the protection of the life of the President and who has actively performed duties other than clerical for 10 years or more directly related to the protection of the President extended by the Secret Service Division and having reached the age of 55 years, he may, at his election, be retired from the service of any such police department or police force or division or fire department, and shall be entitled to receive retirement compensation from the said policemen and firemen's relief fund, District of Columbia, in an amount equal to 50 per centum per annum of the salary received by him at the date of retirement:

As a matter of fact, these people's deductions for retirement are paid into the regular Government retirement fund, are they not?

Mr. TANSILL. That is correct.

Mr. KEEFE. This is a rather round-about way of obtaining preferential treatment for these employees, is it not? In other words, they pay their deductions or contributions as Government employees into the regular Government retirement program and then this law provides—

Mr. MALONEY. No; they do not. Those funds are transferred over to the Metropolitan firemen and policemen's fund.

Mr. KEEFE. Just listen to this:

That, when any member of the United States Secret Service Division shall have performed service in connection with the protection of the President for 10 years or more, thereby becoming subject to future retirement after 25 years' service under the provisions of this act, that he shall be authorized to transfer all funds to his credit in the United States Civil Service retirement fund to the policemen and firemen's relief fund of the District of Columbia, and that after the transfer of such funds, the salary of that member shall be subject to the same deductions for credit to the policemen and firemen's relief fund of the District of Columbia as the deductions from salaries of other members contributing to that fund, and he shall be entitled to the same benefits as other members contributing to that fund.

That means then that a man employed in the Secret Service, in a clerical position we will say, could never become the beneficiary of the policemen and firemen's retirement fund of the District of Columbia.

Mr. MALONEY. That is right, sir.

Mr. KEEFE. If, however, he served 15 years we will say in a clerical position and contributed as such to the regular civil service retirement fund set up by the Government, and was then transferred to a position involving duties relating to the protection of the President and served for 10 years—

Mr. MALONEY. Not in a clerical position.

Mr. KEEFE. I did not say in a clerical position. I said he was transferred from a clerical position to one which involved duties

relating to the protection of the President. He could then say, "All right, I am now in a job relating to the protection of the President and I want those funds transferred from the United States civil service retirement over to the District of Columbia policemen and firemen's fund, because I expect to retire in 10 years, and if so, I want to get the retirement provided for under the District of Columbia policemen and firemen's retirement fund," is that right?

Mr. MALONEY. That is right, sir.

Mr. KEEFE. Why was that done?

Mr. WALKER. It is the policy of the service not to take a clerk and place him in such a position. We only place on the White House detail for the President's protection those agents who have been tried in the field and of whom we are sure. So it would not work out that way.

Mr. KEEFE. Why are they put in a different position than other Government employees? What was the purpose of this law?

Mr. WALKER. I presume because of the hazardous nature of the occupation.

The CHAIRMAN. What is hazardous about it? Has anybody ever been injured in it?

Mr. WALKER. There have been several people killed in line of duty, sir.

Mr. KEEFE. Guarding the President?

Mr. WALKER. Yes, sir.

The CHAIRMAN. When?

Mr. WALKER. I do not recall the exact years, but——

The CHAIRMAN. Will you put that information in the record at this point?

Mr. WALKER. We will.

(The following was submitted later:)

Of the several agents I referred to, only one was actually killed in the performance of this duty. He was William Craig, who met his death in Pittsfield, Mass., September 3, 1902, when he attempted unsuccessfully to avert a collision between a trolley car and the carriage in which Agent Craig was riding with the late President Theodore Roosevelt.

The other two agents, Gus Gennerich and James A. Hollinger, succumbed to heart attacks while performing official travel incident to their assignments as members of the White House detail. Agent Hollinger died July 26, 1936, aboard a Coast Guard cutter en route from Bar Harbor to Eastport, Maine. Agent Gennerich died December 1, 1936, in Buenos Aires, Argentina.

Mr. KEEFE. Does the same hold true of the White House Police?

Mr. MALONEY. Yes, sir.

Mr. KEEFE. In other words, we appropriate the money to pay the White House Police; do we not?

Mr. WALKER. The White House Police contribute at the rate of 3½ percent into the District of Columbia policemen's and firemen's retirement fund.

Mr. KEEFE. Do they make any payments into the regular United States civil service retirement fund?

Mr. WALKER. No, sir.

Mr. KEEFE. In other words, the White House Police are a separate category, although they are paid in the same way as the Park Police and all the rest of them?

Mr. TANSILL. They come under the same retirement fund as the metropolitan firemen and policemen of the District of Columbia.

The CHAIRMAN. Regular civil-service employees pay 5 percent into the retirement fund and those who come in this Division pay 3½ percent; is that correct?

Mr. TANSILL. Yes, sir.

Mr. KEEFE. Not only that, Mr. Chairman, but here is what intrigues me about this legislation. Not only do they pay only 3½ percent into the fund and get a more liberal retirement benefit than do other civil-service employees, but these people are paid by funds raised by general taxation. As I recall from the days when I served on that particular committee, funds are provided in an appropriation bill for the Treasury Department to pay those policemen, are they not?

Mr. TANSILL. That is right.

Mr. KEEFE. They are not paid out of funds provided to the District of Columbia. They are paid out of general appropriations to the particular department?

Mr. MALONEY. That is right, sir.

Mr. KEEFE. Funds raised by general taxes levied against the people of the United States. They are paid out of those funds. They contribute 3½ percent into a fund in the District of Columbia?

Mr. TANSILL. That is correct.

Mr. KEEFE. Then we are called upon here to supplement those funds by making another appropriation out of the general funds raised by taxes against the people of the United States, to make that fund good; is that right?

Mr. MALONEY. Is it not true, sir, that all pensions have to be supported above the 3½-percent contribution?

Mr. KEEFE. I have not any doubt that that is true; and I am not critical of it. For that reason I am just trying to understand it.

Mr. MALONEY. I think that is the position we are in here. Taking the average man, after a year and a half or 2 years on a pension, all of the money he has put into the fund is exhausted, used up, and if he continues on a pension, other moneys have to be put into the fund in order to keep it alive. He only pays a small portion into the fund compared with the total that he gets back if he lives to any age at all. I think that is true of all pension set-ups.

Mr. KEEFE. I do not know whether that is true or not. I would not want to make any such statement as that. But assuming that it is true, as a general proposition I think the Congress ought to know and to understand what is rather an anomolous situation that has arisen as the result of the enactment of this legislation. Mr. Taber asked the question why this preferential treatment to these White House Police? Why should they be treated any differently than other Government employees?

Mr. MALONEY. Most of the White House Police, we will say 97 percent of the White House Police, are employed by the Metropolitan or the Park Police forces and are transferred to the White House. There is a very close link there. In other words, whenever we want to transfer a man back to the Metropolitan force, all we have to do is just order him back. The forces are closely related; the District and the White House police have always been closely organized. If we want a man, we take our recruits from the Metropolitan Police. We just ask the Superintendent for a recruit and he names somebody, and if we are satisfied with him, we take him; and if we do not want him, we send him back. If we could not do that, I do not think we

would have any White House Police; they would all transfer back into the Metropolitan force because of the protection they get in that force.

AMOUNT OF ANNUITIES PAID

The CHAIRMAN. What is the total of the over-all pensions that these annuitants will receive this year?

Mr. TANSILL. Sixty-eight thousand dollars, from appropriated funds.

The CHAIRMAN. Where do the contributions go?

Mr. TANSILL. They go into the District retirement fund directly. They are deducted from the pay roll on a 3½-percent basis and transferred to the District of Columbia policemen and firemen benefit fund.

The CHAIRMAN. You mean that their contributions only run \$7,000; is that the idea?

Mr. TANSILL. They run approximately that. It is 3½ percent. I should say it runs about \$10,000 to \$13,000 a year. It is not sufficient to carry the fund. What happened in connection with this fund is this: The auditor for the District of Columbia found out in 1940 that they were going into the hole on this proposition, and that they were not going to have sufficient money in the fund to take care of the payments. Therefore Congress was requested to make an appropriation of an amount that would be in excess of the contributions of 3½ percent which created the fund originally. That money was appropriated by Congress to supplement the contributions, which were not sufficient to meet the needs of the retirement fund.

Mr. KEEFE. Do you know offhand what the difference would be between a retirement annuity of a civil-service Government worker and a White House policeman?

Mr. TANSILL. It would be the same; 50 percent of the highest 5 years of service. Under an amendment of the Ramspeck Act, you can get 50 percent of the highest 5 years. I do not think there would be any additional payment here in comparison with payments under the regular retirement fund.

Mr. KEEFE. Do I understand you to say that there is practically no differential in annuity payments as between a policeman who gets his retirement from the District of Columbia firemen's and policemen's retirement fund and a civil-service employee, each of them working the same period of time at the same salary?

Mr. MALONEY. I think there is a difference in the matter of the length of service. They have a better break in the matter of the length of service. There is no question about that.

Mr. KEEFE. In other words, they may work only 25 years and be entitled to the benefits, whereas the ordinary civil-service employee has to work until at least 62 years of age and at that age he has to have about 30 years of service; is that right?

Mr. TANSILL. That is right.

Mr. KEEFE. And at the age 65 he may retire with a certain minimum number of years of service?

Mr. WALKER. This enables these men to retire at an earlier age, so that we may get younger and more vigorous men on the job. That is one advantage of this.

Mr. KEEFE. As I said, I am not being critical of it, I merely want to understand it if I have anything to do with it at all.

Mr. STEFAN. This deficiency request is for \$16,000, for the White House Police and Secret Service. How many Secret Service men are involved and how many are White House Police?

Mr. MALONEY. There are 3 Secret Service men and 13 White House Police.

Mr. STEFAN. So this takes care of 16 people?

Mr. TANSILL. This is the additional amount only.

INCREASE IN SIZE OF WHITE HOUSE POLICE FORCE

Mr. STEFAN. Does this have any relation to the new bill that we passed yesterday increasing the number of White House Police from 80 to 100?

Mr. MALONEY. No, sir.

SOURCE OF FUNDS FOR UNIFORMS, EQUIPMENT AND SALARIES OF WHITE HOUSE POLICE

Mr. STEFAN. White House Police uniforms are taken care of in the appropriations for the District of Columbia, are they not?

Mr. MALONEY. No, sir.

Mr. STEFAN. You give them their uniforms?

Mr. MALONEY. Yes, sir. We get \$9,000 for uniforms.

Mr. STEFAN. That is to take care of Park Police uniforms?

Mr. TANSILL. That is another bill, Mr. Congressman.

Mr. STEFAN. It all comes out of the District of Columbia bill, does it not? The District of Columbia pays for the uniforms of the Park Police; they take care of their pensions; they take care of practically all expenses, except that we have no supervision over them. They come under the Department of the Interior, but the money all comes out of the appropriations for the District of Columbia. Now, when you take over some of the Metropolitan Police, you say you furnish them their uniforms?

Mr. WALKER. We outfit them completely.

Mr. MALONEY. With a force of 110 men we are allowed \$9,000 for uniforms.

Mr. STEFAN. You have 80 now, do you not?

Mr. MALONEY. Yes, sir. Now that allowance would be \$6,000 for uniforms.

Mr. STEFAN. Where do you get that money?

Mr. WALKER. The House Appropriations Committee allows us \$6,000.

Mr. STEFAN. What committee?

Mr. WALKER. The regular Appropriations Committee.

Mr. MALONEY. For the Secret Service Division.

Mr. STEFAN. Is that District of Columbia money?

Mr. MALONEY. No, sir; that comes under the Treasury Department appropriation.

Mr. STEFAN. You say you get \$6,000 for uniforms. What else do you get?

Mr. MALONEY. We get the salaries for the 80 men at the present time.

Mr. STEFAN. The reason I am interested in this matter is, for one thing, we are going to have before the District of Columbia Subcommittee on Appropriations in a few minutes the Metropolitan

Police of the District. We are going to consider their estimates of appropriation in a few minutes, in the subcommittee meeting downstairs. Now you say you pay these salaries out of funds for the Treasury Department?

Mr. MALONEY. Yes, sir.

Mr. WALKER. Also the equipment.

Mr. STEFAN. And the uniforms?

Mr. WALKER. The uniforms and the equipment.

Mr. STEFAN. I want to see how that is reflected in our hearings downstairs. Under the new bill we will have 110 men for the White House instead of 80.

Mr. MALONEY. Yes, sir.

Mr. STEFAN. Do you know how much that is going to be?

Mr. TANSILL. That will be about \$376,000 for salaries and \$9,000 for uniforms.

Mr. STEFAN. You will have 110 men at the White House, whom you will draw from the Park Police and the Metropolitan Police. The salaries of those men will be \$376,000. And you say that comes out of the Treasury Department appropriations?

Mr. TANSILL. That is right.

Mr. STEFAN. And also the uniforms and the equipment, which amount to how much?

Mr. WALKER. \$9,000 for uniforms and equipment for 110 men.

Mr. STEFAN. Now we have a retirement fund in the Metropolitan Police in which these people participate?

Mr. MALONEY. That is right.

Mr. STEFAN. And we make the appropriations in our committee here?

Mr. MALONEY. That is right.

Mr. JONES. I gather from what you say, Mr. Stefan, that you have the idea that there is money included in the Interior Department for these particular people?

Mr. STEFAN. That is what they say, that there is.

Mr. JONES. No, sir. This comes in the Treasury Department chapter of the budget. It is separate and distinct from all other police appropriation items. There is no connection whatsoever between the White House Police force, which is under the supervision of the Secretary of the Treasury, and those which come under the supervision of the District and the Interior Department. There is a distinct line between them and there is no overlapping.

Mr. STEFAN. That is what I want to find out. Does the money come out of the District of Columbia funds?

Mr. JONES. No, sir.

Mr. STEFAN. It comes out of a separate fund in the Treasury Department?

Mr. JONES. That is right.

Mr. STEFAN. So that \$376,000, to pay these policemen who are drawn from the Park Police and the Metropolitan Police, comes out of the Department of the Treasury funds?

Mr. JONES. It is not a part of the Park Police. It is a separate item.

Mr. STEFAN. I know that, but the Park Police are paid out of District funds?

Mr. JONES. That is right.

Mr. STEFAN. But when you draw a policeman from the Park Police or the Metropolitan Police, then he immediately is put on the salary of the Treasury Department?

Mr. JONES. That is right, and it creates a vacancy in the other department.

Mr. STEFAN. But the pensions, for which you are here asking \$16,000, do come from the Metropolitan Police fund?

Mr. MALONEY. We are reimbursing that fund.

Mr. STEFAN. And you are reimbursing them in that amount?

Mr. MALONEY. Yes, sir.

Mr. STEFAN. In other words, we appropriate the money to reimburse that fund?

Mr. MALONEY. Yes, sir.

Mr. STEFAN. And that is the purpose of this estimate?

Mr. MALONEY. That is correct. May I add that the correct figure of that White House Police cost is \$372,900?

Mr. STEFAN. That is for salaries?

Mr. MALONEY. Yes, sir.

Mr. STEFAN. And the equipment and uniforms come to \$9,000?

Mr. MALONEY. Yes, sir.

Mr. STEFAN. But the pension comes under the regular Metropolitan Police retirement fund?

Mr. JONES. That is right, the contributions go to that fund.

Mr. STEFAN. But you have some new rulings on retirement different from those coming in under the Metropolitan Police fund?

Mr. MALONEY. No, sir; they are exactly the same.

Mr. STEFAN. I thought Mr. Keefe asked a question about that and you said that they had to be 62 years of age?

Mr. WALKER. Those who are in the regular civil service have to be.

Mr. STEFAN. You thought that there was some little difference there, did you not, Mr. Keefe?

Mr. KEEFE. There is a great difference.

Mr. STEFAN. Between the Metropolitan Police and these people?

Mr. KEEFE. No; between the Metropolitan Police, the Park Police, and all the rest of the police, all of the different grades and categories and character of police, and other civil-service employees. Why that should be, I do not know.

Mr. STEFAN. Yesterday the House passed a bill by unanimous consent increasing the number of the White House Police, as I mentioned before.

BASIS FOR ESTIMATE

The CHAIRMAN. There is one thing about this that I do not understand. You tell us that the salaries of these White House Police are \$372,900; 3½ percent of that is \$12,051; and yet the credit that is given here on account of this item to the Federal Treasury is only \$7,350. It would seem as though about \$4,700 is not accounted for.

Mr. WALKER. That \$7,350 applies only under Public Law No. 491.

The CHAIRMAN. But the 3½ percent of the salary roll at the White House is \$12,051. There is a difference there of \$4,700.

Mr. TANSILL. Deductions for retirement are not shown in the justifications.

The CHAIRMAN. You mean that this request is \$4,000 above what it ought to be?

Mr. TANSILL. No.

The CHAIRMAN. Why not?

Mr. TANSILL. Because there is no figure in here reflecting our deductions of 3½ percent. That figure of \$7,350 has nothing to do with retirement deductions.

The CHAIRMAN. What is that?

Mr. TANSILL. That is the money that we are going to get under Public Law 491 because of the increase in basic salary. That is an additional amount that already has been appropriated by Congress.

Mr. STEFAN. Are all of these men paid the same salary?

Mr. MALONEY. No. They are paid the same grade of pay as the Metropolitan Police, but they start at a certain salary and have five steps of increase, the same as the Metropolitan Police.

Mr. STEFAN. I notice that you have three Secret Service men on this list. Of course, they would have nothing to do with Metropolitan Police annuities. That would be a separate item for these three agents, would it not?

DISCUSSION OF PREREQUISITES FOR RECEIVING PENSION UNDER PUBLIC LAW 847

Mr. JONES. Mr. Maloney says that if they have served 10 years in the protection of the President and become 55 years of age and have a total of 25 years of service, they are entitled to a pension under the law which has been cited.

Mr. STEFAN. But you have a separate annuity fund for the Secret Service; do you not?

Mr. WALKER. That is right.

Mr. STEFAN. They do not come under the same fund as the uniformed policemen; that is a different fund?

Mr. MALONEY. It is the same fund. They are eligible to apply for that fund. It all comes out of the same fund.

Mr. STEFAN. The Metropolitan Police and the Park Police and the Secret Service all come under the same fund?

Mr. MALONEY. Those agents who have worked at the White House 10 years, or who have been connected with the protection of the President for 10 years are given the right to transfer their contributions to the metropolitan firemen and policemen's fund.

Mr. STEFAN. Are you talking about the Secret Service now?

Mr. MALONEY. Those who become eligible after 10 years of service in protection of the President.

Mr. STEFAN. That would apply to these three who are listed here?

Mr. MALONEY. That is right.

Mr. JONES. The key to it is the 10 years of service in the protection of the President. A man could be a Secret Service agent for 35 years and not have any service in the protection of the President and he would not be entitled to the benefits under this law.

Mr. STEFAN. I know; I wanted to simplify it.

Mr. JONES. And this \$16,000 takes care of that.

Mr. STEFAN. Takes care of the annuities of these 16 men?

Mr. WALKER. That is right.

Mr. STEFAN. Three of whom are Secret Service men?

Mr. WALKER. That is right.

Mr. STEFAN. And they may not transfer over to the metropolitan pension fund until they have had that service?

Mr. MALONEY. That service of 10 years, that is right.

Mr. WALKER. They pay at the rate of 5 percent into the regular civil-service retirement fund, and the money is transferred over to the District policemen and firemen's fund when they are ready for retirement.

Mr. STEFAN. Of course, this is an uncontrollable item. There are so many men and so much money has to be contributed into the fund, so there is nothing we can do about it. I wanted to simplify that for the record. Commissioner Young is downstairs asking for more policemen. He complains because you boys at the White House draw his best men.

Mr. MALONEY. We have to have the best men.

NEED FOR NUMBER OF WHITE HOUSE POLICE

Mr. STEFAN. Why do you have to have 110 men?

Mr. MALONEY. We feel very sure that we have to. We had two members of the Senate committee come down to make a survey. They walked the post over in an afternoon and they were satisfied that we needed 110 men; they were Senator Cain and Senator Williams. Originally they had taken exception to our request. They did not believe that we needed them. After coming down and going over the posts, apparently they thought that we did need them.

Mr. STEFAN. I have been connected with this appropriation for the White House Police for nearly 12 years. I started at the time when Captain Dalrymple was there. Who took his place?

Mr. MALONEY. Captain Marey. He retired last year.

Mr. STEFAN. And who has taken Captain Marey's place?

Mr. WALKER. Captain Francis.

Mr. STEFAN. As I remember, they used to have only 40 or 50 men down there.

Mr. MALONEY. About 60.

Mr. STEFAN. And they did a pretty good job. Now you have got that number up to 110, and the salaries have gone up to quite a sizeable sum.

Mr. MALONEY. We now have offices there; it is really an office building today. It has changed from the old days. There is a lot more activity there than there used to be.

WORKWEEK OF WHITE HOUSE POLICE

Mr. STEFAN. How many hours a day do these men work?

Mr. MALONEY. They work 8 hours a day, 6 days a week.

Mr. STEFAN. Of course, you are having a great many visitors from the public at the White House these days.

Mr. KEEFE. Do you have their time staggered over 7 days?

Mr. MALONEY. Yes, sir. The opening to the public has made a difference. We get about 6,000 people there every morning.

Mr. STEFAN. I was around there the other day and there must have been 5,000 people there.

Mr. MALONEY. It is a waste of manpower, because you have to bring men in in the daytime for a short period.

Mr. WALKER. We had 6,300 on Saturday between the hours of 10 and 12.

Mr. SHEPPARD. Does this money represent any overtime?

Mr. MALONEY. We do not pay any overtime. The White House Police get 8 percent in lieu of overtime, for receptions and things like that they have to cover, when we have to call them back at night.

Mr. WALKER. You do not have any more than 28 on duty at one time, sir.

Mr. STEFAN. Of course, they are only working 8 hours.

Mr. WALKER. It revolves around a 24-hour period.

Mr. STEFAN. But that is quite a jump from 60 to 110. And in those days the White House was open to the public, too, and the public used to ramble all over the grounds, then. Nowadays they are not permitted on the grounds. I do not think there is any more work than there was in those days of Captain Dalrymple.

The CHAIRMAN. I do not believe there is, either.

Mr. STEFAN. But the House passed that bill, which they said was approved by everybody. Everyone wants to be sure there is plenty of protection at the White House.

Mr. WALKER. It is felt that with the new war weapons and the number of men who have learned how to use them efficiently, if we were to allow people, visitors, to come in close proximity of the White House, it might endanger the life of the President.

Mr. STEFAN. Did they work any longer hours in Dalrymple's days?

Mr. MALONEY. They got one day off, I believe.

Mr. STEFAN. Did they work 8 hours in those days, too?

Mr. MALONEY. Yes, sir.

Mr. STEFAN. In other words, the same number of hours?

Mr. MALONEY. Yes, sir. I imagine that back in the old days they had two shifts instead of three. I could not say that for sure, because I have not been there that long. In those days most police departments had two shifts.

Mr. STEFAN. It does seem that that is a great many men to guard one house.

Mr. WALKER. We feel it is the most important job in the country.

Mr. STEFAN. Well, you have your Secret Service doing that, guarding the President and his family. And they are doing a good job of it, too. And they have not been increased so much, have they?

Mr. WALKER. No, sir.

Mr. MALONEY. They have been cut down somewhat.

The CHAIRMAN. If there are no further questions, thank you, gentlemen.

TUESDAY, JUNE 3, 1947.

OFFICE OF THE SECRETARY

STATEMENTS OF W. L. JOHNSON, BUDGET OFFICER; GEORGE H. JONES, ASSISTANT BUDGET OFFICER

PENALTY-MAIL COSTS

The CHAIRMAN. We have before us an item in House Document No. 226 for penalty-mail costs for the fiscal year 1947, in the amount of \$450,000. Tell us about this.

Mr. JONES. We asked for \$4,743,000 in our original estimate for 1947 and it covered 316,000,000 pieces. We suffered a reduction of

\$343,000. The amount approved provided for 293,000,000 pieces. The estimate you have before you was built about the 1st of March and it covered additional pieces requiring \$450,000. But we kept after this item, even after building that estimate, and we have developed figures as of May 15, an estimate as of May 15, with actual mailings through March 31, and it shows, Mr. Chairman, that instead of requiring \$450,000, our revised estimate is \$232,100.

We have had some decrease in activity on the mailing of savings bonds by issuing agents to purchasers under the pay-roll savings plan. There has been some decrease in the estimated check issues in the Division of Disbursement and we offer to the committee a revision of our estimate from \$450,000 to \$232,100. This is a revised tabulation, Mr. Chairman, which shows the status of the estimate as of May 15.

The CHAIRMAN. What were your actual mailings up to May 15?

Mr. JONES. The first column of the revised statement shows 218,199,000 as of March 31 which is the last actual figure that we have at this time.

The CHAIRMAN. On that basis, your mailings are running at the rate of 72,700,000 per quarter, which would total 291,000,000. You have a little margin there. It looks as though you had enough to get by, except for this item of the Coast Guard. That is about the only new item in there.

Mr. JONES. It is the only new item in here.

The CHAIRMAN. Why should any of the rest of them run up more in the last quarter than the first? It looks as though 308,800,000 was at least 13,000,000 higher than it ought to be.

Mr. JONES. In the Division of Disbursements, for example, the check load in the first quarter would be low as compared with the fourth quarter.

The CHAIRMAN. It really would?

Mr. JONES. Yes, sir; it is not a figure that can be divided evenly across the board, because of the progressive increase in checks in the Division of Disbursement. As you will recall, you allowed a substantial deficiency appropriation for Disbursement. As to the rest of them, they do run pretty evenly across the board. However, our latest estimate on the Bureau of Internal Revenue only shows about a 2,000,000 reduction over our original estimate yet dividing the actual of 95,000,000 by 3, which will give you about 32,000,000 and adding it to the 95,000,000, it will give you 127,000,000 as against our estimate here of 120,000,000. In other words, we are only estimating 25,000,000 for the fourth quarter in the Bureau of Internal Revenue as compared with practically 32,000,000 average for the first 3 quarters. The rest of them are reasonably comparable, so I feel that this May 15 estimate of ours is pretty accurate. We have combed it pretty tightly ever since last fall.

The CHAIRMAN. That is all; thank you.

THURSDAY, JUNE 5, 1947.

BUREAU OF ACCOUNTS

STATEMENTS OF JOSEPH GREENBERG, ASSISTANT COMMISSIONER, AND ROGER SMITH, BUDGET OFFICER, AND G. H. JONES, ASSISTANT DEPARTMENTAL BUDGET OFFICER

EMERGENCY RELIEF LIQUIDATION FUND

Mr. KEEFE. The committee has before it a communication from the President submitting a budget estimate, Document No. 286, submitting two estimates, the first of which proposes to change the amount of rescission contained in Public Law 20 so as to restore \$36,444.06 to the emergency relief liquidation fund.

Mr. KEEFE. Do you desire to make any statement on that?

Mr. GREENBERG. I might make a short statement, Mr. Keefe. Back in 1942 the Congress provided the Treasury with a fund of a million and a half dollars which was supplemented the following year by an additional \$318,925 to take care of outstanding and unpaid obligations under the various emergency relief appropriations going back to 1935. That fund was available without limit as to time, and we spent down to December 1946 about \$513,000, leaving an unexpended balance of \$1,305,000.

In connection with the call for a rescission program in December of 1946, we contacted the General Accounting Office and ascertained that they had pending possibly \$1,000 in claims. We accordingly figured that we could reserve with safety about \$25,000 of the available balance and recommended for rescission \$1,280,000.

However, there was in transit at the time a settlement of \$62,-036.08, of which we were not aware. As a result of paying that settlement and some other items that came over from the General Accounting Office before the rescission program was enacted into law, we found we were short of the amount needed to meet the recommendation we had made. In other words, instead of having \$1,280,000 available, we only had \$1,243,555.94.

These obligations that we were paying would have had to be paid in any case as certified claims so that the net result is the same as if we had stopped at \$1,280,000 and had sent the remaining items up to Congress for action as certified claims.

Mr. KEEFE. As a matter of fact, the Treasury Department has no administrative control whatsoever over these claims.

Mr. GREENBERG. They are outstanding obligations on contracts within the old WPA programs.

Mr. KEEFE. Now it is anticipated, if we make this restoration to the fund that is asked for, that will take care of those foreseeable claims and any future claims can be taken care of otherwise?

Mr. GREENBERG. Yes, sir; we have stopped, of course, making any further payments on these settlements and any subsequent settlements will be transmitted to Congress.

Mr. KEEFE. Do you have any questions, Mr. Sheppard?

Mr. SHEPPARD. Only one question, Mr. Keefe. That is, it is a determined fact that it has to be paid to the extent of \$36,444; is that correct?

Mr. GREENBERG. The \$36,000 has been paid; yes, sir.

Mr. SHEPPARD. And what is the deficiency you are requesting?

Mr. GREENBERG. We are not requesting a deficiency. We are requesting an item of legislation to reduce the amount previously required to be rescinded.

Mr. KEEFE. To reduce the amount of the rescission.

Mr. GREENBERG. To reduce it from \$1,280,000.

Mr. SHEPPARD. You want that money back in order to discharge the obligations.

Mr. GREENBERG. That is right.

Mr. SHEPPARD. No further questions.

Mr. KEEFE. Do you have any present knowledge of any substantial number of claims that might be set up against this fund?

Mr. GREENBERG. No, sir. Of course, you realize that the General Accounting Office, which settles these items, and that is the only way they come to us, finds it almost impossible to give us any idea of what they have in the mill or what will come to them from the various Federal agencies. The \$62,000 settlement I was referring to represented a payment on an old contract for the construction of labor camps in Florida. We may have other similar claims come in from time to time for a number of years, but we have no information and neither does the General Accounting Office as to what we may expect.

Mr. KEEFE. If there are any, they will be certified as claims and can be brought up here in schedules?

Mr. GREENBERG. Yes.

Mr. KEEFE. All right. Let us take up the next item, the "Bureau of Internal Revenue."

THURSDAY, JUNE 5, 1947.

BUREAU OF INTERNAL REVENUE

STATEMENTS OF F. I. EVANS, BUDGET OFFICER; J. N. McCOLLUM, ASSISTANT BUDGET OFFICER, AND ALLEN M. LASTER, CHIEF, PRINTING AND BINDING SECTION

COLLECTING THE INTERNAL REVENUE

PRINTING AND BINDING •

Mr. KEEFE. The second item in the submission under Document 286 relates to a proposed increase in the amount authorized to be expended for printing and binding in the fiscal year 1947. It is asked that that amount be increased from \$2,200,000 to \$2,390,000. Will you justify that please?

Mr. EVANS. Yes, sir. The amount included in the 1947 regular act for printing and binding for the Bureau of Internal Revenue was \$2,200,000. That amount was based on printing costs charged in the fiscal year 1945, such costs being the latest figures available at the time the 1947 estimate was compiled in the early part of the fiscal year 1946.

The costs charged by the Government Printing Office for our tax forms and instructions has gone up considerably since that estimate was submitted and the 1947 appropriation granted. For income-tax

forms exclusively, we estimated a cost of \$1,125,000 for 1947 needs. Actual bills have now been received from the Government Printing Office covering that cost, and it is \$1,315,225, or \$190,225 in excess of the cost used in the estimate. Therefore, we find our current year costs in excess of the limitation prescribed in the 1947 act.

Mr. KEEFE. What intrigues me in reference to this matter is the fact that you are here asking that a limitation, which was placed in an item in this bill, headed "Salaries and expenses, Bureau of Internal Revenue," placing a limitation of \$2,200,000 on the amount that might be expended for printing and binding in fiscal year 1947, you are asking that that be increased to——

Mr. EVANS. \$2,390,000.

Mr. KEEFE. You give as a justification the fact that costs have gone up.

Mr. EVANS. That is correct, sir. Since the estimate was compiled and after the 1947 bill was passed. As you know, Mr. Chairman, we are subject to the prices charged by the GPO for all of our printing. All printing for the Bureau of Internal Revenue is done at the Government Printing Office or by contracts let by that Agency. It is just in the last month or two that we have received the bills covering actual cost of the printing for the current year, and those actual costs have shown this increase.

Mr. KEEFE. How much unexpended balance is there in the fund, salaries and expenses?

Mr. EVANS. You are inquiring of the total appropriation?

Mr. KEEFE. You have some total under the heading "Salaries and expenses," of which this printing and binding item is one. Now you say we are asking that the limitation as to printing and binding be increased, and we are not asking for any additional money in the over-all appropriation. We will be absorbing it out of other funds.

Mr. EVANS. That is right.

Mr. KEEFE. One thing must be true. Then you must have funds in that general appropriation, salaries and expenses, which makes it a lush appropriation out of which you can absorb this amount.

Mr. EVANS. We intend to absorb it, Mr. Chairman, from purchases made along other lines, particularly stationery and equipment which we can control.

Mr. KEEFE. Do you propose to use up existing stock supplies?

Mr. EVANS. Yes, sir; and hold off purchasing less important items until the first of the next year. We are reducing requisitions coming in, just so that we can cover our needs for this fiscal year, thereby eliminating some of the costs that would otherwise have fallen in this fiscal year.

Mr. KEEFE. Am I correct in the assumption that what you intend to do is to use up your stock supplies and not buy new supplies to the extent of this amount and make an absorption in that manner.

Mr. EVANS. Yes, sir; on the less important items which can be postponed until the next fiscal year.

Our printing and binding limitation for next year has been increased somewhat to meet a portion of the advanced costs. The increase in those costs is the reason why we are going over this year. If it had not been for this \$190,000 increase in cost charged by the Printing Office, we could have kept within the 1947 limitation.

SAVINGS IN OTHER ADMINISTRATIVE COSTS

Mr. CANFIELD. Mr. Chairman, I think perhaps we are making reference to the last statement in the justifying statement here in which I quote:

By reasons of savings effected in 1947 in other administrative costs chargeable from the Bureau's administrative appropriation, the excess cost of \$190,000 over the present year limitation can be absorbed and no additional appropriation is needed to pay the same.

In other words, you have effected certain savings in administrative costs during this year?

Mr. EVANS. Yes, sir.

Mr. CANFIELD. You wish to elaborate on the amount.

Mr. KEEFE. My question is perfectly clear. Here is \$190,106 out of an appropriation of \$2,200,000. Now you say we can absorb that amount by increasing the limitation that amount, that we can absorb it; we do not need any new money. That is what you said in answer to questions.

Mr. EVANS. Only by curtailing other costs chargeable to the general appropriation. There are certain items that we can postpone purchasing to July 1, 1947.

Mr. KEEFE. Is it a curtailment then or just a postponement?

Mr. EVANS. We have taken certain emergency measures in the Bureau to keep within this year's appropriation in view of the \$2,000,000 cut made recently in the supplemental appropriation for additional pay cost under Public Law 390.

We had to take emergency measures. We have frozen vacations, and curtailed overtime pay costs. By these emergency measures, and by careful analysis of all available funds, we feel we can take care of this \$190,000 additional printing cost.

Mr. KEEFE. What administrative costs other than your supplies and materials do you have reference to?

USE OF ARMY AND NAVY COMMUNICATION FACILITIES

Mr. EVANS. We are economizing, for example, by taking advantage of Government communication facilities. By this means we saved \$40 on one telegram the other day, on what we call jeopardy assessment telegram. Those telegrams run sometimes two to three pages. It is a matter of extreme urgency to get those telegrams out immediately, so we are taking advantage of sending these telegrams by Army and Navy communication facilities, whenever available, to help curtail our costs. We are resorting to every possible means of economy to keep within this year's funds.

Mr. KEEFE. Do you not intend to do that in the future?

Mr. EVANS. Yes, sir, but it is only recently they have allowed us to come back on those lines. They postponed that during the war.

Mr. SHEPPARD. Do I understand, because of the reduction of required expenditures within your own department, you are now having the functions that you would normally perform had you received adequate appropriations being done by the Army and Navy and out of their appropriations?

Is that a correct interpretation of your statement?

Mr. EVANS. Insofar as the Army and Navy can handle them, that is correct, Congressman.

Mr. SHEPPARD. That is what I mean.

Mr. EVANS. I understand they have agreed to take on telegrams to that extent; using their facilities.

Mr. SHEPPARD. I am not criticizing the procedure, I am interested in it for the following reasons. Having followed the appropriations of the Navy over a long period of time and the policy of that subcommittee being that each department of Government will stand on its own appropriations and pay its own bills by reimbursing another division of Government which is called upon to do services for them, I find in this instance that because of a shortage of appropriations or the limitation in which you can spend appropriations, either one of them being the determining factor, that you now are transferring a certain operation within your division over to the Army and Navy for whatever cost it may be, 15 cents or \$15,000,000, the effect being the same. Is that correct?

Mr. EVANS. To the extent of this particular class of telegrams whenever the Army and Navy can handle them.

Mr. SHEPPARD. It does not make any difference what type of telegram it may be.

Mr. KEEFE. Is it reimbursable?

Mr. SHEPPARD. No; it is not. That is absolutely contrary to the instructions of the subcommittee of the Navy. They have no right to take on any degree of operations for another division of Government without being reimbursed for it.

My reason for taking that attitude is not to criticize you gentlemen. Perhaps you finally have set yourselves down to do the only thing you could do under the circumstances, but it absolutely loses the accountability of justifications and appropriations made by a specific division of Government, in this instance, the Navy.

The Navy is going beyond their own required services of expenditures and are doing a favor for another division of Government.

Mr. EVANS. I understand the Department uses Navy facilities mostly.

Mr. KEEFE. It is the same.

Mr. GARY. What type of telegrams are they?

Mr. EVANS. Jeopardy assessments, sir. When we find that we are in danger of losing taxes, we put an additional assessment on the taxpayer immediately and send it out in the form of a jeopardy assessment. Those must go immediately.

Mr. CANFIELD. How long has the War Department been working with you?

Mr. EVANS. Since last January.

Mr. CANFIELD. This is not an entirely new relationship, you did it in prior years?

Mr. JONES. That was done prior to the last war, Congressman. When the war began, of course, those facilities were not available. The Army will do this function for the Department providing they do not have use for the lines themselves. If they had available space to run these telegrams in for us, they were always willing to. Very often they do say, "No, we cannot take care of it, you have to put it out to the commercial lines," but just as long as they could, before the war, they would do it.

But when the war began they just shut off altogether and this is just a resumption of the old relationship.

Mr. SHEPPARD. While it is contrary to the procedure of the Appropriations Committee that is handling the Navy fiscal business, I do not have any objection to the Government agencies' functions, but I do contend if we want to know how a particular department of Government operates it should be upon the responsibility of their own appropriations. If you are not getting adequate appropriations to function in a legitimate manner, then there is something wrong with the picture insofar as accountability is concerned.

Mr. Chairman, at this time I would like to have a personal request to have filed before this committee the amount of service that Navy has functioned for.

(The statement referred to is as follows:)

Statement showing the number of telegrams and the cost, at commercial rates, transmitted by the Army and Navy facilities for the Bureau of Internal Revenue from January 1, 1947, to May 31, 1947

	Number of messages	Cost, computed at commercial rates
Army facilities	234	\$418.74
Navy facilities	482	\$99.33
Total	716	1,318.07

Mr. KEEFE. Both the Navy and the Army. I might call your attention to the fact that when I was a member of this subcommittee it was very apparent that the credit that was taken and such loud hosannas that went up when we found the Post Office Department in the black and a prospective surplus from operations all arose as a bookkeeping matter, because they collected the fees and the airmail money and everything else and only had to deliver it to the oceanside, the water's edge. The Army and Navy took it and paid the whole cost out of Army and Navy appropriations from there on.

The Post Office Department operated at a profit during that period of time when a profit could not be traced, nor the cost could not be traced, not anything could be traced to show what it was actually costing to deliver that mail. Nobody knew, and I tried and tried to find out. I could not.

That situation is quite similar to this one. Here you have the situation where you are calling upon the Army or the Navy. I do not know what service they have. I do not quite understand it. Where do they deliver these telegrams?

Mr. EVANS. I understand they deliver these telegrams to destination over their lines to certain metropolitan centers.

Mr. SHEPPARD. They have a series of leased lines?

Mr. McCULLUM. If they have a radio-reception point, or line-reception point, they will deliver it direct. If not, they will transmit it the rest of the way by commercial telegram.

RATE OF OBLIGATIONS

Mr. KEEFE. What are your obligations to date for printing and binding?

Mr. EVANS. I can give you those, sir; as of April 30, 1947, \$2,225,106.

Mr. KEEFE. That is on a monthly basis?

Mr. EVANS. That is on a per annum basis; on bills that the Government Printing Office has submitted.

Mr. KEEFE. That is 10 months. You still have 2 months to go after that.

Mr. EVANS. Yes, sir. Our additional costs for the remainder of this year comprise administrative forms and records required in the last 2 months of the fiscal year for assessments and collection of taxes, \$100,000; internal-revenue bulletin service, Tax Court reports, and regulations, \$15,000; instructions to employers for withholding tax under the provisions of the new Individual Income Tax Reduction Act of 1947, just passed by both Houses of Congress and awaiting signature by the President, \$50,000.

I might say this, Mr. Chairman, that this latter item, \$50,000, is contingent upon the enactment of the new tax bill. We have to keep abreast of that.

Mr. KEEFE. I am wondering if you still have enough money.

Mr. EVANS. We hope to keep within the increased amount, if you gentlemen will grant it.

Mr. KEEFE. You have been spending on a monthly of about \$222,500.

Mr. McCULLUM. That monthly rate does not hold good, Mr. Keefe, because most of our orders are placed earlier in the year when we get out our income-tax forms.

Mr. EVANS. The large orders are placed in the first half of each fiscal year, in order to get the income-tax forms out before the tax-filing period.

The Government Printing Office gives these jobs out by contract. It has gotten beyond the point where the Printing Office can do them. They get these bills in from the contractors, and we pay the costs charged by the Government Printing Office.

Mr. SHEPPARD. Because of that fact you have a greater degree of fluctuation of cost than you would have if it were completely under the jurisdiction and productivity of the Printing Bureau itself.

Mr. EVANS. That is correct. That adds to the cost and to our difficulties.

Mr. GARY. In the event the tax bill is passed, reducing taxes for this year, then you have still greater costs?

Mr. EVANS. This \$50,000 I spoke of, Mr. Gary, is for that purpose. We are trying to keep abreast of the new bill, and the first thing we have to do is to get this new WT circular out to employers throughout the country, acquainting them with new tax withholding tables. If that act goes into effect July 1 next, we do not have time to wait until the next fiscal year. As a matter of fact, we have the job started. We have the plates under way.

Mr. GARY. Suppose they do not?

Mr. EVANS. We would not incur all this cost. We have already incurred a small cost under this new bill.

Mr. LASTER. Not to exceed about \$500. We got the type set and got the proofs and corrected them so we could turn them loose the minute we are advised of the approval of the act. We could not wait until the act is signed and then expect to get it out on time.

Mr. KEEFE. Are there any further questions, gentlemen?

Thank you, very much.

WEDNESDAY, JUNE 4, 1947.

DEPARTMENT OF AGRICULTURE

SUGAR RATIONING ADMINISTRATION

STATEMENT OF HON. CLINTON P. ANDERSON, SECRETARY OF AGRICULTURE; J. H. MARSHALL, DIRECTOR, SUGAR BRANCH, PRODUCTION AND MARKETING ADMINISTRATION; IRVIN L. RICE, ACTING ADMINISTRATOR, SUGAR RATIONING ADMINISTRATION; ROBERT LIPPOLT, CHIEF OF DIVISION OF BUDGET AND FINANCE, SUGAR RATIONING ADMINISTRATION; AND RALPH S. ROBERTS, ASSISTANT DIRECTOR OF FINANCE, UNITED STATES DEPARTMENT OF AGRICULTURE

The CHAIRMAN. Mr. Secretary, we have before us a request contained in House Document No. 279 for funds for the operation of the sugar-rationing program. Will you tell us why you need these funds?

Secretary ANDERSON. The actual budget figures will be discussed by Mr. Rice; but at the present time we think that we may be able shortly to put into operation a different system of ration banking—that is, all the way through—and with some changes that we may be able to make we hope it may be possible to effect a saving of from \$250,000 to \$350,000 a month.

IMPROVEMENT IN SUGAR SUPPLIES

The sugar picture has greatly improved as to supplies. There is a Cuban production to date of something like 6,250,000 tons, and while some 93 of the 160-odd mills have closed, the rest of them are still going, and we see the possibility of a crop running close to 6,350,000 to 6,400,000 tons.

With that and with some accumulations of stocks that were made by virtue of the fact that the people have not cashed their ration evidences we may be coming into an easier period so far as rationing is concerned.

I think we can make some substantial savings; on the other hand it does not appear as if we can get away from consumer rationing until we see how much sugar consumers are going to take as a result of the recently advanced stamp dates. I do not want to take up too much of your time, but if you would like to have me do so I can say to you that we distributed about 89,000 tons of sugar for the week ending May 10th; 93,000 tons for the week of May 17; and we made some additional ration evidences available which pulled it up to about 124,000 tons for the third week in May; and it was about 136,000 tons for the week ending May 31.

NEED FOR FUNDS FOR TRANSITION TO SIMPLIFIED PROGRAM

We do need some money to complete what is now going on. We need some money to finish the transition from the present ration system to the more simplified program. Some of the people in the Sugar Rationing Administration feel we can undertake that safely now.

There is a difference in the ration banking when you are handling a dozen commodities and when you are only handling one. We are sure we will be able to save quite a little money in July and August.

The CHAIRMAN. But you will not save much for June.

Secretary ANDERSON. No. We tried to get the program into effect by the 1st of June but there were just too many things which had to be done first.

(Off-record discussion.)

NEED FOR AVAILABILITY OF FUNDS FOR PAYMENT OF TERMINAL LEAVE; CHANGE OF LANGUAGE

The CHAIRMAN. You are asking here for some change in language to make funds that are available for the payment of terminal leave available for expenditure for operation during the balance of the fiscal year. What is the status of the funds that were transferred to you?

Mr. RICE. There is a limitation on the amount of money that was transferred to cover terminal leave, and that may not be used for operating costs. The total amount of funds we had transferred for terminal leave and operations in the total amount is enough to provide for the entire operation for the balance of the fiscal year; but if we make the assumption that we should have to liquidate by June 30 we would not have enough money, out of the \$898,000, to pay the terminal leave. If the \$565,000 that is available for operation, is released for operating funds, we would need \$415,000 additional operating funds.

This is complicated somewhat by the limitations put on the appropriations of the Office of Temporary Controls.

STATUS OF FUNDS

The CHAIRMAN. How much of that money do you have left?

Mr. RICE. Approximately \$565,000, as of the end of last month.

The CHAIRMAN. Out of the transfer?

Mr. RICE. Yes.

The CHAIRMAN. And how much would be required to operate through June, and how much for the terminal leave?

Mr. RICE. \$415,000 to operate through June.

The CHAIRMAN. Why would it require that much?

Mr. RICE. To continue operation on a reduced basis, after we had closed 16 offices, 14 branch offices and 2 regional offices, our best estimate is that we will need a total of \$980,000 for operations.

The CHAIRMAN. How much?

Mr. RICE. \$980,000; that is the total of the \$415,000 and \$565,000.

Secretary ANDERSON. May I just say the way it was shown to me is that from April through June the total expense would be \$2,890,000 and there was transferred to us \$2,475,000, which means we would need \$415,000 more.

The CHAIRMAN. Your monthly pay roll is how much?

Mr. RICE. \$700,000—the total of all expenses is slightly under \$1,000,000.

Secretary ANDERSON. If we cut off the ration-banking that would cut it down some.

Mr. RICE. I think we could take off 84 jobs right now.

The CHAIRMAN. You mean in June?

Mr. RICE. In July.

The CHAIRMAN. That will not affect the \$415,000?

Secretary ANDERSON. That is right. I think it is only fair to say that the reason we are making this suggested change in the rationing plan is because I told them that we have got to find some system that will cut down operating costs to the amount of money available, and the people in the Administration came up with the suggested change but we could not get it worked out in time to make it effective in June.

The CHAIRMAN. Are you going to be able to pay your terminal leave out of the \$898,000, or what is going to be the situation in that respect?

Mr. RICE. If we should be required to liquidate by June 30 we would not have enough in that \$898,000 for terminal leave; but if we can go on and use the terminal leave money——

Secretary ANDERSON. May I ask you this question: Would you rather for me to go ahead with liquidation plans and then come in and ask for funds to complete the job?

The CHAIRMAN. Yes.

Secretary ANDERSON. If we can do that we can run on using this terminal-leave money, and then I can come back to the committee later for what is needed to take care of terminal leave.

Mr. ROBERTS. I think that is an important point, because if this \$415,000 which is proposed in House Document No. 279 is made available for operations we will have to have additional money for terminal-leave payments.

The CHAIRMAN. You will still have to have some additional funds.

Secretary ANDERSON. I believe we will have to have the \$415,000 in any event.

The CHAIRMAN. For your operations.

Secretary ANDERSON. That is right.

The CHAIRMAN. I guess we need not go into the other part of the estimate now.

Secretary ANDERSON. If you will let me have the \$415,000 we will try to liquidate the rest of the program as rapidly as we can.

Mr. KEEFE. It is simply a matter of authorizing you to utilize the \$415,000 which was specified for pay of terminal leave.

Secretary ANDERSON. Yes.

Mr. KEEFE. For your regular operations?

Secretary ANDERSON. Yes.

Mr. KEEFE. And you would not have enough to pay terminal leave later without coming up for additional funds.

Secretary ANDERSON. That is right.

The CHAIRMAN. I guess we will have to see you through that far, and maybe you will be able to find some way out when you come up in connection with the next year's operation.

FRIDAY, JUNE 6, 1947.

FEDERAL SECURITY AGENCY

BUREAU OF EMPLOYEES' COMPENSATION

STATEMENTS OF WILLIAM McCAULEY, DIRECTOR, BUREAU OF
EMPLOYEES' COMPENSATION; AND EDWARD B. KELLY, ACT-
ING BUDGET OFFICER, FEDERAL SECURITY AGENCY

EMPLOYEES' COMPENSATION FUND

Mr. KEEFE. The committee has before it House Document No. 291, transmitting a request for an additional amount, for the fiscal year 1947, for the employees' compensation fund, \$500,000. The Director of the Bureau of Employees' Compensation is here and we will be glad to hear from him at this time.

Mr. McCAULEY. The additional sum requested by the Bureau, Mr. Chairman, is to enable us to continue payments, during the month of June, of cases involving benefits under the Federal Employees' Compensation Act.

The funds available to date for such purposes amount to \$14,100,000. As of the close of business yesterday, June 5, we had a balance of \$582,388 in this appropriation. Our current expenditures have been at the rate of about \$1,000,000 a month and our anticipated cost for the month of June is \$1,232,468. Our present funds will be depleted approximately the middle, or shortly after the middle, of the month, and unless the additional sum is made available we will have to suspend payments during the last half of the month.

Mr. KEEFE. All there is to this situation, as I understand it, is that the sum requested is to be used for the purpose of paying statutory benefits?

Mr. McCAULEY. That is correct.

Mr. KEEFE. And they cannot be used for any other purpose?

Mr. McCAULEY. That is absolutely correct.

Mr. KEEFE. And if not used, they will revert to the Treasury on the 30th of June?

Mr. McCAULEY. Yes, sir.

Mr. KEEFE. That is, any unexpended balance?

Mr. McCAULEY. Yes, sir.

Mr. KEEFE. Also, the amount needed cannot be determined with absolute accuracy at the time the budget estimate is submitted to the committee originally?

Mr. McCAULEY. That is true.

Mr. KEEFE. In this case you had a deficiency, contained in the urgent deficiency bill, of something over \$3,000,000, as I recall it?

Mr. McCAULEY. Yes, sir; the amount was \$3,000,000. We had requested \$3,474,000.

Mr. KEEFE. And it came through at \$3,000,000?

Mr. McCAULEY. Yes, sir.

Mr. KEEFE. This amount you are asking, \$500,000, you hope will carry you through to the end of the fiscal year?

Mr. McCAULEY. Yes, sir; we are satisfied that that will be sufficient.

Mr. KEEFE. Thank you very much for coming, Mr. McCauley.

We anticipated this, by the way, when you were before the regular subcommittee; that is, that you would be back.

Mr. McCAULEY. Yes, sir. The statement was made, I think in the regular appropriation bill, that it was merely your guess against ours at that time.

Mr. KEEFE. Well, your guess apparently was better than ours.

Mr. McCAULEY. A little bit, this time.

Mr. KEEFE. We will make a part of the record this summary statement in your justifications.

(The statement referred to follows:)

Employees' Compensation Fund, Bureau of Employees' Compensation, Federal Security Agency

Regular appropriation, 1947 act	\$11, 100, 000
Supplemental appropriation for 1947	3, 000, 000
Total appropriation	14, 100, 000
Estimated obligations for fiscal year 1947:	
First quarter (actual)	5, 153, 448
Second quarter (actual)	3, 562, 758
Third quarter (actual)	¹ 2, 847, 220
Fourth quarter (estimated)	3, 036, 574
Estimated total fiscal year obligations	14, 600, 000
Estimated deficit	500, 000

¹ Payments suspended during latter part of third quarter due to lack of funds. Supplemental funds approved in the act of March 22, 1947 (Public Law 20, 80th Cong.).

Mr. KEEFE. Thank you very much, gentlemen.

Mr. McCAULEY. Thank you.

THURSDAY, JUNE 5, 1947.

HOUSE OF REPRESENTATIVES

CONTINGENT EXPENSES OF THE HOUSE

STATEMENTS OF JOHN ANDREWS, CLERK OF THE HOUSE, AND J. C. SHANKS, DISBURSING CLERK OF THE HOUSE

SPECIAL AND SELECT COMMITTEES

The CHAIRMAN. You have an estimate in House Document 293 for \$50,000 additional for special and select committees of the House. Why do you want that money?

Mr. SHANKS. Mr. Chairman, for the current fiscal year, 1947, we had \$400,000 appropriated, and as of May 31, we spent \$365,000, leaving us only a balance of \$35,000.

The expenses of these investigating committees are now increasing every month, running approximately close to \$45,000.

Mr. SHEPPARD. Would you object to advising the committee as to what committees you are referring?

Mr. SHANKS. Gladly. If you wish, I can put this statement in the record, showing the number of committees now in existence. We have the Committee on Appropriations, investigating operations of Government departments and agencies, we have the Subcommittee on Expenditures in Executive Departments, investigating buildings and procurement, the Committee on Education and Labor, general investigation; we also have the Executive Departments, investigating Government departments and agencies exceeding the scope of their authority.

Merchant Marine and Fisheries, general investigation, another subcommittee of the Expenditures in Executive Departments, and another subcommittee on expenditure investigating surplus property.

The un-American activities investigation; also Committee on Veterans' Affairs, general investigation.

These investigations are all authorized by the House for standing committees.

We have only two special committees, the newsprint investigation, of which Congressman Brown of Ohio is chairman, and the small-business investigation, of which Congressman Ploeser, of Missouri, is chairman.

The House, on May 12, passed resolutions authorizing the Public Lands Committee to conduct a general investigation, as well as the Armed Services Committee, and it also gave the Interstate and Foreign Commerce Committee authorization to continue its investigations on transportation. On the 29th day of May, the House passed two other investigating resolutions, one for the Agriculture Committee investigating the potato surplus, and one giving the District of Columbia Committee authority to study the question of home rule for the District of Columbia.

These latter five committees I just mentioned have not as yet been authorized to spend any money. Whether they will, we cannot say, but the chances are they may ask for some funds.

Mr. SHEPPARD. Are those committees not authorized by law a part of the sum you presented today?

Mr. SHANKS. These are not part of it, because they have not been authorized to spend any money as yet. The committees I mentioned at the beginning are now running about \$42,500.

Mr. SHEPPARD. Every one is authorized by law.

Mr. SHANKS. That is right. We figure that some of these committees will incur expenses or obligations for which they will not submit vouchers for a month or two; \$50,000 additional may be a little high, but in order to have sufficient money to take care of such expenses, that may be incurred prior to June 30, we should have this additional money.

Incidentally, I might state that this money cannot be used for any purpose except as authorized by the House.

Mr. CANNON. As I understand, this will be included as part of the record, the tabulation?

The CHAIRMAN. Yes.

(The statement referred to is as follows:)

House of Representatives—Special investigations continued or authorized by the 80th Cong.

	Total amount authorized	Total ex- pended to Apr. 30, 1947	Balance available May 1, 1947
STANDING COMMITTEES			
Appropriation, investigating, organization and operation of Govern- ment departments and agencies.....	¹ \$180,000	\$138,466.16	¹ \$41,533.84
Building and procurement investigation (Subcommittee on Expendi- tures in Executive Departments).....	40,000		40,000.00
Education and Labor (general investigation).....	40,000	3,448.06	36,551.94
Government departments investigation in re exceeding the scope of their authority (Subcommittee on Expenditures in Executive Departments).....	40,000	928.07	39,071.93
Merchant Marine and Fisheries (general investigation).....	50,000	1,212.94	48,787.06
Propaganda investigation in Government departments (Subcom- mittee on Expenditures in Executive Departments).....	26,000		26,000.00
Surplus property investigation (Subcommittee on Expenditures in Executive Departments).....	50,000	18,794.58	31,205.42
Un-American Activities.....	100,000	5,729.15	94,270.85
Veterans' Affairs investigation.....	25,000		25,000.00
Public Lands Committee (general investigation).....	(2)		
Armed Services Committee (general investigation).....	(2)		
Transportation investigation (Committee on Interstate and Foreign Commerce).....	(3)		
Committee on Agriculture (investigating potato surplus).....	(4)		
Committee on the District of Columbia (study of home rule).....	(4)		
SPECIAL COMMITTEES			
Newsprint investigation (Congressman Brown of Ohio, chairman).....	25,000	1,089.17	23,910.83
Small Business investigation (80th Cong.) (Congressman Ploeser of Missouri, chairman).....	60,000	4,443.04	55,556.96
Total.....			461,888.83

¹ Unexpended balance of approximately \$25,000 at the close of the 79th Cong., continued by the 80th Cong., plus \$50,000 additional.

² Investigating resolutions passed May 12, 1947. No funds authorized as yet.

³ Resolution passed May 12, 1947, continuing the transportation investigation from the 79th Cong., but no unexpended balance or any other funds as yet authorized.

⁴ Investigating resolutions passed May 29, 1947. No funds authorized as yet.

Mr. CANNON. That itemizes the committees.

Mr. SHANKS. Right, the amount of their authorization, the amount they spent, up to April 30, and the balance as of May 1.

Of course, so far as the Appropriations Committee is concerned, we show \$180,000. That investigation started back in the Seventy-eighth Congress, when Mr. Cannon was chairman.

It was continued by the Seventy-ninth Congress, and again continued by the Eightieth Congress; the Eightieth Congress continued the unexpended balance, which was approximately \$25,000. Several weeks ago, they secured a further authorization of \$50,000. We reflect the total amount, allowed the Committee on Appropriations since it was originally created in the Seventy-eighth Congress.

Mr. CANNON. I wish you would show the amount expended by years.

Mr. SHANKS. \$100,000 was given you in the Seventy-eighth Congress.

Mr. CANNON. Just show it in your tabulated form, tabulated by years, the amount of expenditure each year.

Mr. SHANKS. I can give it to you right offhand.

Mr. CANNON. Just put it in the record, the tabulation by years of the amount expended.

Mr. SHANKS. All right.

(The information is as follows:)

COMMITTEE ON APPROPRIATIONS, HOUSE OF REPRESENTATIVES

Investigation authorized by House Resolution No. 69 of February 11, 1943 (78th Cong.): \$100,000 authorized for expenditures by House Resolution No. 116 of February 18, 1943 (78th Cong.).

Investigation continued by House Resolution No. 50 of January 9, 1945 (79th Cong.): Unexpended balance of amount authorized in the Seventy-eighth Congress continued during the 79th Congress by House Resolution No. 70 of January 17, 1945 (79th Cong.); \$30,000 additional authorized by House Resolution No. 672 of June 21, 1946 (79th Cong.).

Effective with the Eightieth Congress, January 3, 1947, the investigation was continued and made permanent by section 2 (b) of the Legislative Reorganization Act of 1946.

Unexpended balance of the Seventy-ninth Congress continued by the Eightieth Congress under authority of House Resolution No. 61 of January 29, 1947; \$50,000 additional authorized by House Resolution No. 151 of April 2, 1947.

Total amount authorized during the Seventy-eighth, Seventy-ninth and Eightieth Congresses, as specified above, \$180,000.

Disbursements by calendar years as follows:

Feb. 18 to Dec. 31, 1943.....	\$19, 048. 48
Jan. 1 to Dec. 31, 1944.....	27, 905. 60
Jan. 1 to Dec. 31, 1945.....	36, 228. 97
Jan. 1 to Dec. 31, 1946.....	20, 612. 92
Jan. 1 to Apr. 30, 1947.....	34, 670. 19
Total amount expended from Feb. 18, 1943, to Apr. 30, 1947....	138, 466. 16
Unexpended balance as of May 1, 1947.....	41, 533. 84
Total appropriation.....	180, 000. 00

TELEGRAPH AND TELEPHONE

The CHAIRMAN. You have another item of \$15,000, for telegrams and telephone.

Mr. SHANKS. Mr. Chairman, \$300,000 was appropriated for the current year, in the legislative bill, and we expended, through May 31, although it does not include the May bills, because they are always a month or so late coming in, \$240,000, leaving us \$60,000.

We are spending for telegraph and telephone service about \$23,000 to \$25,000 a month. But there are the so-called pick-up bills, which come to us, anywhere from 2, 4, or 6 months late, covering telegrams, which Members of Congress may send, when out in the district, and they are all eventually billed to us through the central office in Washington.

There is no telling just what they will amount to. The \$15,000 we are asking may not be used at all, but in order to have sufficient funds for the balance of the year, and to avoid the necessity of asking a supplemental appropriation, especially if we should adjourn and find we don't have enough money to meet the obligations between now and the time you reconvene.

On the present basis, I don't believe the \$15,000 will be used but I cannot say, and no one else can forecast or make a statement of how many bills may come in late.

Mr. SHEPPARD. If it is not used, does it revert back?

Mr. SHANKS. It reverts to the Treasury of the United States.

Mr. SHEPPARD. At the termination of the fiscal year?

Mr. SHANKS. We keep it on the books for 1 year, then it reverts back to the Treasury. It is not carried for any obligations incurred after July 1.

Mr. SHEPPARD. I have no further questions of an official character. I might have some personal ones after the record is closed.

The CHAIRMAN. I guess that is all we have for the Clerk of the House.

FRIDAY, JUNE 6, 1947.

DEPARTMENT OF JUSTICE

STATEMENTS OF S. A. ANDRETTA, ADMINISTRATIVE ASSISTANT TO ATTORNEY GENERAL; E. R. BUTTS, CHIEF, BUDGET SECTION, DEPARTMENT OF JUSTICE; C. E. WALLER, BUDGET OFFICER, IMMIGRATION AND NATURALIZATION SERVICE; AND DALE FRANCIS, IMMIGRATION AND NATURALIZATION SERVICE

SALARIES AND EXPENSES, IMMIGRATION AND NATURALIZATION SERVICE

The CHAIRMAN. We have an estimate, Mr. Andretta, before us in House Document No. 298 reducing the amount of the estimate in House Document No. 108 from \$800,000 to \$400,000. Is that in your bill?

Mr. STEFAN. It is a matter of court action.

Mr. ANDRETTA. That is the result of a court decision in the Court of Claims about the payment of overtime under the act of, I think, March 2, 1931.

The CHAIRMAN. That was in your regular bill?

Mr. ANDRETTA. Yes, sir; there is an item in the regular 1948 bill to cover this overtime.

The CHAIRMAN. And it has been decided that they are not entitled to it; is that it?

Mr. ANDRETTA. The court decided that they were entitled to it.

The CHAIRMAN. That they were?

Mr. ANDRETTA. Yes, that they were, and the bill came to over \$1,000,000, but they have been able to absorb down to \$400,000 to pay this claim.

The CHAIRMAN. Have we already appropriated it?

Mr. ANDRETTA. No, sir.

Mr. STEFAN. That has not been appropriated; no.

Mr. ANDRETTA. That item was not considered here.

The CHAIRMAN. But we do have to provide \$400,000 additional?

Mr. ANDRETTA. Yes, sir.

The CHAIRMAN. What can you tell us about that? Do you have this in the justifications?

Mr. ANDRETTA. I have not. I could give you a statement on it or put it in the record.

The CHAIRMAN. All right; give us a statement.

Mr. ANDRETTA. Yes, sir. It explains the court action and the basis of the claim.

The CHAIRMAN. On what page is it in these justifications?

Mr. ANDRETTA. It is not in there. It was in the original one.

The CHAIRMAN. Will you give us a complete statement on that?

Mr. ANDRETTA. Yes, sir.

(The statement referred to is as follows:)

DOCUMENT 108

IMMIGRATION AND NATURALIZATION SERVICE

Salaries and expenses, Immigration and Naturalization Service

For an additional amount fiscal year 1947 for salaries and expenses, Immigration and Naturalization Service, \$400,000. As a result of a decision of the United States Court of Claims dated May 6, 1946, the foregoing amount will be required during the current fiscal year for compensation for overtime services of immigrant inspectors and other employees of the Immigration and Naturalization Service.

Extra compensation for overtime services, act of March 2, 1931

Estimated cost.....	\$800, 000
Less amount to be absorbed.....	400, 000
Net estimate.....	400, 000

The act of March 2, 1931 (46 Stat. 1467), provides for the payment of extra compensation for overtime services of inspectors and employees of the Immigration Service required to remain on duty between the hours of 5 p. m. and 8 a. m., or on Sunday and holidays, to perform inspectional duties. It further provides for overtime pay on the basis of one-half day's additional pay for each 2 hours or fraction thereof of at least 1 hour and for 2 additional days' pay for Sunday and holiday duties. Section 2 of the said act provides that such compensation be paid by the transportation lines concerned, with the proviso that under certain conditions the carriers are exempt from the payment for such overtime.

In administering the act of March 2, 1931, it was the practice, up to June 30, 1946, to so arrange the working hours and schedules of employees assigned to inspectional duties that overtime performed would be that for which the Government could be reimbursed from the carriers. As it was necessary regularly to assign employees to inspectional duties on Sundays and holidays at ports of entry at places where the carriers were exempt from the payment of services performed as provided in section 2 of the said act, it was administratively determined that employees who worked and were regularly assigned to duty at such points and under such circumstances should, in lieu of payment of extra compensation, be allowed a day off for such duty. This practice was adopted on the assumption that since a lieu day was granted for each Sunday and/or holiday worked, no obligation would accrue against the Government to make payment in those instances where the carriers would not be liable for reimbursement. However, a number of immigrant inspectors brought suit against the Government in the United States Court of Claims, and in the test cases of *Walter A. Renner v. the United States* and *Peter H. Krupp v. the United States*, the Court of Claims determined that the practice of allowing time off, or lieu days, for inspectional duties pursuant to the act of March 2, 1931, violated both the spirit and intent of the said act and ruled that the Government was obligated to pay the extra compensation even though same was not reimbursable from the carriers (decision of United States Court of Claims, May 6, 1946). Thus, there are two types of overtime now payable under the act of March 2, 1931, as follows:

A. Overtime compensation for which collection is made from transportation interests in accordance with section 2 of the act. The payment of this type of overtime and corresponding collections from transportation interests is a practice of long standing. The estimated amount for this purpose during the fiscal year 1947 is \$603,000. For convenience, this type of overtime is commonly referred to as reimbursable overtime.

B. Overtime compensation for which transportation interests are exempted by the proviso in section 2 of the act. The Government becomes liable for the payment of this type of overtime as a result of the interpretation of the law as outlined in the United States Court of Claims decision of May 6, 1946. This type of overtime is commonly referred to as nonreimbursable overtime. It is the estimated amount required for nonreimbursable overtime for which this supplemental estimate is submitted.

It is necessary to assign inspectors and other employees to duty on Sundays and holidays at ports of entry for the inspection of arriving aliens as required by the immigration laws. Under the decision of the Court of Claims, payment for such duty must hereafter be made currently from the appropriation, "Salaries and expenses, Immigration and Naturalization Service." It has been determined from information obtained from the several field districts that approximately 27,700 tours of duty on Sundays and holidays are involved, and the average for 2 days' pay of employees assigned to this class of work is \$28.88. Hence, it is estimated that \$800,000 will be required for the Government to discharge this obligation during the fiscal year 1947.

It is evident from the Court of Claims decision that an employee performing inspection duty on a Sunday or holiday falling within the basic 40-hour workweek would be entitled to a total of 3 days' pay for that particular day; in other words, 7 days' pay for 5 days of work.

This matter was discussed with officials of the Department of Justice, and it was decided to schedule such inspecting employees for 48 hours per week, thus allowing the Government the benefit of 6 days of work for 7 days' pay. This procedure was placed in effect June 30, 1946. While this lengthened workweek has resulted in some personnel savings at large ports, such savings have been more than offset by the necessity for assigning additional primary inspectors to cover the inspection needs at new or enlarged ports of entry.

It is to be noted that while the total cost of the Government's liability is estimated at \$800,000, the amount requested for this purpose for the fiscal year 1947 has been reduced to \$400,000, it having been determined that the difference can be absorbed within funds currently appropriated. It is possible to absorb this difference mainly because of the following items:

1. Increase in reimbursements (appropriation credits).....	\$100, 000
2. Decrease in amount required for refund of fines.....	100, 000
3. Decrease in the number of enemy aliens removed from the country during 1947 due to pending litigation which will delay deportation of approximately 1,200 such cases until after the close of the fiscal year.....	200, 000
Total.....	400, 000

The CHAIRMAN. This is an item that the court determined will be due?

Mr. ANDRETTA. That is right.

The CHAIRMAN. You have some other funds in the appropriation for immigration and naturalization that will reduce the balance of the claim down to \$400,000?

Mr. ANDRETTA. That is it, sir.

The CHAIRMAN. What appropriation is that?

Mr. ANDRETTA. "Salaries and expenses, immigration and naturalization."

The CHAIRMAN. What amount is that?

Mr. WALLER. We are down now to an unobligated balance of \$4,864,000.

The CHAIRMAN. \$4,000,000 and what?

Mr. WALLER. \$4,864,000 at the close of April, and our obligations for the 2 months from May 1 to June 30 will be about \$4,820,000.

The CHAIRMAN. Including this?

Mr. WALLER. Yes, sir.

The CHAIRMAN. Then you do not need any money, do you?

Mr. WALLER. Oh, yes; we do. Assuming that the appropriation of \$400,000 will be made, there is a balance of \$4,864,000, and our obligations will be about \$4,820,000.

The CHAIRMAN. \$4,820,000?

Mr. WALLER. Yes, sir.

The CHAIRMAN. That includes \$600,000 toward the \$1,000,000 award, does it not?

Mr. ANDRETTA. Savings, you mean.

The CHAIRMAN. Where are the savings?

Mr. ANDRETTA. The total cost of this overtime, as I understand it, is about \$1,200,000.

Mr. WALLER. That is correct. I thought the chairman was speaking of our total financial picture.

The CHAIRMAN. I was.

Mr. WALLER. Then that is the correct figure. If we are allowed the \$400,000 in this estimate, we would have a potential balance of around \$40,000 after we pay these claims.

Mr. STEFAN. You will have \$40,000 unobligated?

Mr. WALLER. Yes, sir; which allows little margin for additional deportations; and that is, of course, an uncontrollable item.

The CHAIRMAN. I guess that is all.

Mr. STEFAN. What did we have in our regular bill for salaries altogether?

Mr. WALLER. In our regular bill for 1948?

Mr. STEFAN. Yes.

Mr. WALLER. For the overtime item?

Mr. STEFAN. Yes.

Mr. WALLER. \$875,000.

Mr. STEFAN. That is taking care of how much?

Mr. WALLER. That will take care of all of the Government's liability for overtime payments during 1948 as a result of the Court of Claims decision.

Mr. STEFAN. That will clear it all up?

Mr. WALLER. Well, it is a continuing obligation.

Mr. STEFAN. Oh, yes; from now on it is continuing as a result of the court action?

Mr. WALLER. That is correct.

Mr. STEFAN. And you have \$875,000?

Mr. WALLER. \$875,000; that represents the Government's liability.

Mr. KEEFE. That is the liability in the fiscal year 1948?

Mr. WALLER. Yes.

Mr. KEEFE. The liability of \$1,000,000 that we were discussing is that which arises as a result of this court action?

Mr. WALLER. That is correct.

Mr. KEEFE. That must be paid and is expected to be cleaned up in the fiscal year 1947?

Mr. WALLER. That is correct.

Mr. KEEFE. That is why you are asking for the \$400,000 which I believe you contemplate absorbing out of other funds which will enable you to liquidate your current liability as a result of that judgment of the Court of Claims?

Mr. WALLER. Yes, sir.

Mr. KEEFE. So, what you have in the bill for 1948 is what you anticipate your additional liability will be for overtime?

Mr. ANDRETTA. As long as that law is on the statute books it is going to be our liability from then on.

Mr. KEEFE. Yes.

AUDITED CLAIMS

The CHAIRMAN. We will take up the item in House Document 297 next. You have here an item of \$62.50 for 1942. Is that some audited claim, or what is that?

Mr. ANDRETTA. That is the same as some that are in the other document that we are going to discuss, No. 227. They are all audited claims that were due either for appraisers or use of appraisers and the publication of notices in land-condemnation cases.

The CHAIRMAN. These have been audited by the Comptroller General?

Mr. ANDRETTA. Yes, sir; they have been audited by the Comptroller General.

TRANSFER OF FUNDS FROM "TRAVELING EXPENSES" TO "EXAMINATION OF JUDICIAL OFFICES"

The CHAIRMAN. There is another item of \$5,000 here which is for travel expenses, 1947.

Mr. ANDRETTA. That is a transfer from the appropriation "Traveling expenses, Department of Justice, 1947," to "Examination of judicial offices, 1947." The appropriation for judicial offices is \$5,000 short to cover these examinations, and most of the expenditure in that small appropriation is for travel expenses, and we are asking to take \$5,000 from funds we have saved in our regular travel appropriation and make it available to this other appropriation.

The reason that we are short in the examiners' appropriation is because nine of them were in the military service; and, being a small, tight appropriation, when they came back it threw our appropriation over. In other words, we had not originally estimated on the full staff coming back in 1 year, so this threw us over about \$5,000. They are always in a continual state of travel. They are our fact-finding force in the field with respect to the United States attorney's and the marshals' office.

INCREASE IN LIMITATION FOR FEES OF WITNESSES

The CHAIRMAN. Then you have this item of fees for witnesses.

Mr. ANDRETTA. We are not asking for any more money. All we want to do is increase the limitation.

The CHAIRMAN. It is a limitation increase?

Mr. ANDRETTA. Yes, sir. The reason for that is we have a lot of foreign witnesses coming here to testify in these treason cases, and we have to meet certain extraordinary expenses in their transportation from Europe.

Mr. STEFAN. I do not know if we have authority for that.

Mr. ANDRETTA. Yes, sir, we have authority in the law for that.

Mr. STEFAN. There was a limitation of \$25,000 or something like that.

Mr. ANDRETTA. Yes, sir, it was \$25,000, and the Congress authorized an increase of the limitation last year because certain extraordinary cases arose.

Mr. STEFAN. I was just wondering what the law was.

Mr. ANDRETTA. Yes, sir, it is all right. We have authority to do that, sir.

Mr. STEFAN. Will you tell us a little more about that, how many witnesses are coming over, and what cases these are. I wonder if we could not wait until the regular bill gets through the Senate.

Mr. ANDRETTA. Well, we have the Chandler treason case, for example, and we have had to bring in 17 witnesses from Germany.

Mr. STEFAN. Do we have to change the regular bill?

Mr. ANDRETTA. No, sir. We hope we will not need an increase in the limitation for 1948.

Mr. STEFAN. All right.

AUDITED CLAIMS

The CHAIRMAN. Then in House Document No. 227 you are asking for two or three little items, audited claims, such as \$14.04 for 1942. That is an audited claim is it?

Mr. ANDRETTA. Yes, sir, the same as spoken about before.

The CHAIRMAN. And \$75.20 also?

Mr. ANDRETTA. Yes, sir, the same thing.

PRINTING AND BINDING

The CHAIRMAN. Tell us about printing and binding, \$65,000.

Mr. ANDRETTA. All right, sir. For example, the \$65,000 for 1946 is the same as this \$80,000 for 1947. The \$65,000 is a deficit for 1946, and \$80,000 is a potential deficit for the present fiscal year that covers our printing and binding.

As you know, we have one appropriation that covers printing and binding for the whole Department of Justice, which includes the FBI, the Immigration Service, the prison system, as well as our regular legal activities.

We have no way to anticipate what it is going to cost us to print briefs and records because they vary in size and length and by the number and the complexity of cases as well as the number of appeals taken, so that invariably we have to come back and get deficiencies in this appropriation.

In the 1946 appropriation we have bills on hand from the Government Printer and from some contract printers totaling approximately \$65,000. I think they come to around \$63,000, or something like that, but \$65,000 in round figures.

That covers mostly printing and binding of briefs and records in cases that we did not anticipate.

Then, furthermore, since these estimates were prepared we have had a 20 percent increase in the cost of printing.

I might point out that we have spent as high as \$750,000 a year for printing and binding, whereas this will bring our total cost up to around \$540,000 for 1946, and the estimate for this year to \$555,000.

Mr. STEFAN. What did we give you for printing in 1947 altogether?

Mr. ANDRETTA. Altogether?

The CHAIRMAN. \$475,000.

Mr. ANDRETTA. Yes, sir, \$475,000.

The CHAIRMAN. And a like amount for 1946.

Mr. STEFAN. That was the same.

Mr. ANDRETTA. Yes, sir; the same amount.

Mr. STEFAN. What big thing happened in 1947 where you had to go up \$80,000? What is the biggest item in there?

Mr. ANDRETTA. The biggest item is the increased cost of printing, and then we had some very big cases. For example, we had extraordinary printing cost in the Lewis case.

The CHAIRMAN. Pages 3 and 10 of the justifications will be included in the record at this point.

(The matter referred to is as follows:)

Printing and binding, Department of Justice, 1946, as of April 30, 1947

The Third Urgent Deficiency Appropriation Act, 1946, provided for \$75,000 under this title. The original estimate to the Bureau of the Budget was \$150,000. The Bureau of the Budget reduced it to \$100,000 and the Congress to \$65,000.

	Expended to date fiscal year 1945	Expended to date fiscal year 1946	Total re- quired fiscal year 1946	Available fiscal year 1946	Deficit
06 Printing and binding.....	\$498,093	\$475,000	\$540,000	\$475,000	—\$65,000
1. Legal activities and general administration.....	338,287	312,246	346,563	310,400	—36,163
2. Federal Bureau of Investigation.....	75,051	59,515	59,515	42,600	—16,915
3. Immigration and Naturalization Service.....	49,176	64,165	87,687	81,000	—6,687
4. Federal prison system.....	35,579	39,074	46,235	41,000	—5,235
Total.....	498,093	475,000	540,000	475,000	—65,000

This appropriation is to a very large extent uncontrollable. It covers the cost of all printing and binding of the Department of Justice, including the printing of briefs and records pertaining to Government litigation, finger-print cards used by the Federal Bureau of Investigation, etc. These and other like items can in no way be subject to administrative control, since the need is entirely dependent upon the volume of business in the courts. Furthermore, there was an increase in printing costs which was not anticipated at the time of the original estimate.

Printing and binding, Department of Justice, 1947, as of Apr. 30, 1947

	Expended to date, fiscal year 1946	Expended through Apr. 30, 1947, fiscal year 1947	Estimated obligations, fiscal year 1947	Available, fiscal year 1947	Balance or deficit
06 Printing and binding.....	\$475,000	\$353,544	\$555,000	\$475,000	—\$80,000
1. Legal activities and general administration.....	312,246	236,354	361,850	303,550	—58,300
2. Federal Bureau of Investigation.....	59,515	22,920	62,150	62,150	-----
3. Immigration and Naturalization Service.....	64,165	59,870	89,000	73,800	—15,200
4. Federal prison system.....	39,074	39,400	42,000	35,500	—6,500
Total.....	475,000	353,544	555,000	475,000	—80,000

For the prison system there is needed \$6,500 caused by deferring, due to the lack of funds during the fiscal year 1946, of the printing of operating forms. The supply of these forms became exhausted necessitating their reprinting in order that the various institutions might currently maintain necessary records.

The CHAIRMAN. Why do you have a deficiency of \$23,000 in the Immigration and Naturalization Service? That is kind of hard to understand.

Mr. WALLER. In the Immigration and Naturalization Service we were affected greatly by the administrative procedure act which required us to revise 50 percent of our immigration laws and regulations and to publish the precedents required under that act and the decisions of the Board of Immigration Appeals and of the Commissioner.

Mr. ANDRETTA. And then there were also changes in forms.

Mr. WALLER. Yes, there were changes in forms also.

Mr. ANDRETTA. And they have a tremendous number of forms that they use in the service.

MISCELLANEOUS SALARIES AND EXPENSES, FIELD

The CHAIRMAN. You might tell us about this \$20,000 that you want for miscellaneous salaries and expenses in the field.

Mr. ANDRETTA. That ties in with the item at the bottom of page 2, Mr. Taber, \$29,500 for this fiscal year.

The deficit of \$20,000 for 1946 is due primarily to the cost of court reporting.

When the Court Reporting Act was passed it was anticipated that we were going to be able to save some money in our court reporting but as it has turned out we still have to pay for the cost of transcripts, and our reporting costs have not diminished appreciably, but in anticipation of a decrease in the cost of this item we reduced our estimate to \$111,000 whereas we have had to spend about \$181,000. By effecting economies all along the line we were able to absorb all but about \$20,000.

The CHAIRMAN. You have audited claims on that?

Mr. ANDRETTA. No, sir; we are holding the bills for reporting on it.

The CHAIRMAN. The bills actually exist?

Mr. ANDRETTA. Yes, sir; that is an ascertained deficiency.

The CHAIRMAN. Now, explain that other item for 1947.

Mr. ANDRETTA. That is due to the fact that our costs for expert witnesses have gone up. We used to be able to get doctors and other experts for \$25 a day, but now we have to pay \$75 to \$100 a day.

The CHAIRMAN. You might put pages 5 and 13 in the record on that.

Mr. ANDRETTA. Yes, sir.

(The matter referred to is as follows:)

MISCELLANEOUS SALARIES AND EXPENSES, FIELD, DEPARTMENT OF JUSTICE, 1946

Additional funds in the amount of \$20,000 are necessary in order to meet bills presently on hand and to provide a small fund from which to pay any others that may be presented. Savings have been effected during the year wherever possible in order to stay within funds provided by the Congress.

Since this appropriation covers various items of expense and many are uncontrollable, such as travel, court reporting, interpreters, expert witnesses, etc., this deficiency could not be avoided. It was caused by underestimating the cost of court reporting in that, the savings expected as a result of the passage of the Court Reporter Act did not materialize.

The 1946 budget contained only \$111,250 for other contractual services (court reporting, etc.), whereas it has been necessary to expend and obligate for this purpose \$181,834 the same, practically, as was spent in prior years. Certain economies have made possible the reallocation of funds whereby this excess has been reduced to \$20,000, as submitted herewith.

MISCELLANEOUS SALARIES AND EXPENSES, FIELD, DEPARTMENT OF JUSTICE, 1947

A supplemental estimate of additional funds required under this head is submitted herewith in the amount of \$29,500 to take care of various anticipated needs, principally the cost of reporting and other uncontrollable items for the remainder of this fiscal year.

Giving effect to the \$19,500 contained in House Document No. 117 covering the cost of pay increases under Public Law 390, a prospective savings of approximately \$12,000 under personal services together with other small savings is being

applied to the total gross increase of \$45,179. The savings in personal services, travel, supplies and equipment reduce this to a net of \$29,500.

This appropriation covers the miscellaneous expenses necessary for handling cases in the courts. In other words, the costs of litigation are unpredictable and uncontrollable.

Reporting costs have declined from their peak, but not to the extent estimated at the time the salaried court reporter bill was being considered. They represent a large part of our litigation expenses and, of course, we have no control over the amount and cost thereof.

Also the cost of expert witnesses has increased tremendously due to the inflations of fees. We must now pay most expert witnesses \$100 per day whereas the fee in the past was usually \$25 a day.

SALARIES AND EXPENSES OF MARSHALS

The CHAIRMAN. You have an item of \$10,000 for marshals for 1946; have you not?

Mr. ANDRETTA. Yes, sir. That is to pay transportation bills we have on hand covering marshals' travel. As you well know, the travel of marshals is practically uncontrollable because they travel under court orders.

The CHAIRMAN. This is mostly something else; is it not—mostly the "Transportation of things" and "Other contractual services"?

Mr. ANDRETTA. Yes, sir.

The CHAIRMAN. Supplies and materials, and the personal services of marshals. You have quite a large item for travel and mileage.

Mr. ANDRETTA. Yes, sir.

The CHAIRMAN. Why do you need all of that?

Mr. ANDRETTA. Are you talking about the 1946 item of \$10,000?

The CHAIRMAN. Yes. That is the additional amount?

Mr. ANDRETTA. Yes, sir. You will notice we are \$19,000 short in our travel item for 1946.

The CHAIRMAN. Yes.

Mr. ANDRETTA. We are short \$19,000, but we were able to absorb \$9,000 in other items, so that the result is that on transportation bills we are \$10,000 short.

Mr. STEFAN. You mean travel?

Mr. ANDRETTA. Travel; yes, sir.

The CHAIRMAN. Why do you have that shortage in "Transportation of things" and "Other contractual services"?

Mr. ANDRETTA. The "Transportation of things," for example, covers the trucking of a lot of alien enemy property deposited with the marshals, and transportation of exhibits to court.

The CHAIRMAN. You are actually shy that amount to meet your bills?

Mr. ANDRETTA. Yes, sir.

CONTINGENT EXPENSES

The CHAIRMAN. Now, you have an item of \$10,000 for contingent expenses.

Mr. ANDRETTA. Yes, sir.

We have installed a punch card system that has revised and revamped our whole accounting set-up in the Department in order to make savings in personnel and administrative overhead. These savings have been made, but they are not reflected in this appropria-

tion. We have saved about \$40,000 or \$50,000 in salaries by reason of this installation.

Mr. SHEPPARD. What type of installation did you install?

Mr. ANDRETTA. It is an IBM punch card system for accounting and pay-roll operations.

Mr. SHEPPARD. Did you try to go into the competitive market instead of tying yourselves up to a permanent pay-off system with the I. B. M.?

Mr. ANDRETTA. Yes, sir; we did.

Mr. SHEPPARD. You were inaugurating a new procedure within the office itself; were you not?

Mr. ANDRETTA. We had another procedure in the office before installing the IBM.

Mr. SHEPPARD. What was it?

Mr. ANDRETTA. Hand-operated bookkeeping machines.

Mr. SHEPPARD. And you are going to the power-driven type of equipment?

Mr. ANDRETTA. Yes, sir.

Mr. SHEPPARD. Did you try the competitive market to see if you could get it elsewhere?

Mr. ANDRETTA. Yes, sir. We had a survey made of the particular job that we had to do, and we all agreed that punch cards would supply the most economical and satisfactory method of doing what we wanted to do. The Remington Rand people as well as the I. B. M. made a survey and submitted proposals. We decided from our standpoint that it would be a lot more satisfactory to have I. B. M. installations.

Mr. SHEPPARD. How was the cost comparison of I. B. M. versus that of Remington Rand?

Mr. ANDRETTA. The cost was about the same, except that the Remington Rand company would like to have us buy the machines. That would require a large appropriation, which we did not feel justified in asking for at this time. The Remington Rand company could not do certain things that we wanted to do in this particular operation, but the converse of that is also true. We had an installation in the Immigration Service where it would tie in and we are putting Remington Rand equipment in the Immigration Service.

Mr. SHEPPARD. In other words, you are utilizing competition wherever possible.

Mr. ANDRETTA. Yes, sir. I would like to point out that we have been able to absorb a great deal of these tremendous increases in the cost of supplies and equipment. For instance, the cost of filing cabinets, which are an important item of equipment in the Department of Justice, have gone up 171 percent in price since 1942.

SALARIES AND EXPENSES OF MARSHALS, 1947

The CHAIRMAN. We have another item for \$140,000 for salaries and expenses of marshals in 1947.

Mr. ANDRETTA. Yes, sir.

The CHAIRMAN. Marshals are getting up in the air; are they not?

Mr. ANDRETTA. No, sir. If you will notice, Mr. Taber, it is pretty much the same, but we have to come back because their operations

are uncontrollable. They depend upon the number of processes served, the number of prisoners transported, and the amount of court business in their jurisdiction.

For example, we get back in fees which are earned by the marshals in serving private processes, \$2,000,000 which is not reflected here at all. The marshals deposit these earnings in the Federal Treasury.

The marshals have a pretty basic organization. In fact, the personnel has varied very little in these offices, I would say, in 10 years. It has been around 1,130 to 1,135 persons.

This year in trying to save money and to come within this year's appropriation we reduced the number from 1,135 to 1,009. At the present time it is the lowest we have ever had in the marshal's offices that I can remember in 13 years.

Mr. SHEPPARD. Do you still follow the policy where you have a deputy marshal located, for instance, at Fresno, Calif., which is removed from a secretary's office by 365 miles—of not furnishing him with a stenographer or anything else?

Mr. ANDRETTA. Yes; he is by himself, and he serves the processes alone.

Mr. SHEPPARD. What does he do when he has to type a report?

Mr. ANDRETTA. Most all of our deputies do their own typing.

Mr. STEFAN. I have not heard any of them kicking about it. What is wrong with that?

Mr. SHEPPARD. It adds to the volume of work that they have to do. I happen to know one deputy marshal who has a particularly large amount of work to do and he has to do his own stenographic work.

(Discussion off the record.)

Mr. STEFAN. What portion of this \$140,000 is salary?

Mr. ANDRETTA. The \$140,000 item is due mostly to personal services, most of which is due to the fact, as pointed out, that in reducing the number from 1,134 to 1,009 deputies we have had to pay terminal leave, and we also had in this appropriation lapses of \$165,000. It is absolutely impossible to save any money up through lapses, because if you separate anyone from the service, you cannot create any savings because of the necessity of paying terminal leave.

There has got to be a new concept in Government of this lapse situation because it just does not work like it used to with the present terminal leave law. We have absorbed some of that cost from other savings, but, nevertheless, we are still short.

There has also been expended \$62,000 from this appropriation for overtime earned in transporting prisoners around the country, for which no appropriation has been provided.

Then, of course, the marshals' appropriation is faced with what all of the other appropriations are, and that is the increased cost of doing business.

The CHAIRMAN. Thank you, gentlemen.

FRIDAY, JUNE 6, 1947.

THE JUDICIARY

STATEMENTS OF HENRY P. CHANDLER, DIRECTOR; WILSON F. COLLIER, SERVICE OFFICER; JOHN C. BROWN, BUDGET OFFICER; ADMINISTRATIVE OFFICE OF THE UNITED STATES COURTS, AND JOSEPH G. GAUGES, MARSHAL, UNITED STATES COURT OF CUSTOMS AND PATENT APPEALS

COURT OF CUSTOMS AND PATENT APPEALS

The CHAIRMAN. Mr. Chandler, the budget has presented an item in House Document 308 for \$1,074.07 for an additional amount for the fiscal year 1946 for printing and binding.

Mr. CHANDLER. That is for the Court of Customs and Patent Appeals, and Mr. Gauges, the marshal of the court, will explain it.

Mr. GAUGES. We need the \$1,074.07 to meet the cost of completing volume 33 of the Patent Reports.

Mr. STEFAN. Which report?

Mr. GAUGES. Of the Patent Report. We get out two volumes a year, one devoted to customs decisions and the other to patents and trade-marks.

The CHAIRMAN. How much was the appropriation?

Mr. GAUGES. The appropriation for printing and binding was \$6,700.

The CHAIRMAN. And how much have you spent?

Mr. GAUGES. We have spent all of the \$6,700.

The CHAIRMAN. It is all spent?

Mr. GAUGES. Yes; and we need \$1,074.07.

The CHAIRMAN. You have got a bill for that?

Mr. GAUGES. That is right.

PRINTING AND BINDING

The CHAIRMAN. The next item is for \$7,050 as an additional amount for the fiscal year 1946 for printing and binding.

Mr. CHANDLER. Mr. Chairman, that is for printing and binding the volumes of the Supreme Court reports and represents only the amount which is actually due for printing and binding volumes 325, 326, and 327.

Mr. STEFAN. That is for work that has been done.

Mr. CHANDLER. Yes.

The CHAIRMAN. And you do not have the money to pay the bill.

Mr. CHANDLER. That is correct.

FEES OF JURORS

The CHAIRMAN. The next item is for jurors fees, \$30,000, for 1947. What is the story on that, Mr. Chandler?

Mr. CHANDLER. The story on that is that after a number of years the Government's cost for jurors fees, which have been dropping, have now started to rise slowly, and it is estimated that this additional

amount will be needed for 1947. The amount requested in the appropriation, for 1947, was reduced from the amount of the estimate of \$1,600,000 to \$1,400,000 in recognition of the fact that the actual cost, in 1946, was only a trifle over \$1,400,000. But jurors fees have started to go up and the number of jury cases have started to rise. This accounts for the deficiency, which is certain for this fiscal year, and the best estimate we can make is \$30,000.

The CHAIRMAN. Can you tell us how much has been expended so far?

Mr. BROWN. I have that information—\$1,045,028 has been expended up to April 30, 1947.

The CHAIRMAN. And you would have how much left?

Mr. BROWN. We have \$354,972 left for the months of May and June. Our experience has been that the average payments during those months have been \$385,000, so we need about \$30,000 to bring the amount for this year up to about the previous year's average.

The CHAIRMAN. This would figure at more than \$104,000 for the months; it would be about \$125,000 a month.

Mr. BROWN. That is true; but the months of May and June include the heavy terms of court; that is when the \$385,000 is used.

The CHAIRMAN. You really think you will need this amount?

Mr. BROWN. I really do, yes.

PRINTING AND BINDING, ADMINISTRATIVE OFFICE AND UNITED STATES COURTS

The CHAIRMAN. The next item is for printing and binding, Administrative Office, and United States Courts, \$23,700. Why do you need that money, Mr. Chandler?

Mr. CHANDLER. There are two reasons for it. In the first place, when the estimates for 1947 were made it appeared that the number of volumes, that is, the reports, produced in the previous fiscal year had been two, and the amount of the appropriation, \$80,000, did not cover, with the other printing expenses of the Administrative Office, the cost of three volumes.

In addition to that there has been a rise in the cost of printing as reflected in the actual bills.

Mr. STEFAN. I think, Mr. Chandler, in this estimate you are a little bit high. I could understand an estimate of printing of around \$5,000—to \$5,000 more—but this runs to nearly \$24,000.

Mr. CHANDLER. Let me say, in the first place, that the estimate was \$89,000 and the appropriation requested was reduced from that to \$80,000.

Mr. STEFAN. We thought that was enough, too, from our experience.

Mr. CHANDLER. You realize that the cost charged by the Government Printing Office is fixed by that office; it is something that we cannot control.

Mr. KEEFE. And you cannot control the number of pages that any member of the Court is going to utilize, whether it is a majority opinion, a dissenting opinion, or a concurring opinion.

Mr. CHANDLER. I would like to say that in the item of printing, the printing other than the reports of the Supreme Court, such as the printing of stationery, we have used the very strictest economy in those expenditures. But there are three factors involved. In the first place, the appropriation was reduced from the original estimate by \$9,000; and in the second place the number of reports to be printed

will be three instead of two, and in the third place the cost of printing has gone up materially since we last discussed the request. And, we cannot pay the bill unless we have the funds.

Mr. STEFAN. The amount of the estimate was cut back by \$9,000, but you come back and want more than \$23,000.

Mr. CHANDLER. But if you had given us the amount we originally asked we would still have had to have more money because of the rise in printing costs.

FRIDAY, JUNE 6, 1947.

BUREAU OF THE BUDGET

STATEMENT OF F. J. LAWTON, ACTING ASSISTANT DIRECTOR OF THE BUREAU OF THE BUDGET

TERMINAL LEAVE

The CHAIRMAN. Mr. Lawton, you have presented a little item which is designed to cover certain situations. Will you describe the purpose of this proposal?

Mr. LAWTON. In many, if not all of the appropriation bills which have been reported out there has been a statement to the effect that personnel reductions based on the 1948 appropriations allowed, are to be made in the fiscal year 1947; that the appropriation for the current year should take care of the payment of terminal leave, and that no deficiency will be permitted, for 1948, for that purpose.

The situation as it now stands is that only two appropriation bills have gone through the Senate and both are in conference at the present time. The possibility is very clear that several of the bills will not become law by June 30. There are differences between the House and the Senate as to the amount of money involved, and the agencies are in this position: They must either make reductions in force to the maximum extent provided in the bill, with the chance that, if a larger appropriation is allowed finally by the Congress, employees will have to be rehired, or they may delay reductions until the final allowance is known, which may result in charging terminal leave to 1948 funds.

It is felt that a great deal of lost motion will result in the agencies, particularly in those whose bills have not been reported. They will have a considerable problem, in making the reductions in force schedules in time to make the dismissals effective in 1947, if any notice at all is given. Under the general policy followed by the Government and in private industry, it is felt that some reasonable notice should be given of dismissal.

This proviso is to take care of that sort of a situation. It reads:

GENERAL PROVISIONS

When employees are separated from the service during July 1947 by reason of a reduction-in-force and have been given notice of such separation during the fiscal year 1947, lump-sum payments for accumulated leave may be charged against unobligated balances of the 1947 appropriations from which such employees were paid: *Provided*, That subparagraphs (A) and (B) of paragraph (1) of section 14 (a) of the Federal Employees Pay Act of 1946 (Public Law 390) shall not apply to such employees.

In other words, it provides that where a notice of dismissal is given in this fiscal year and the person goes off the roll in the month of July of next year, the terminal leave can be charged to the 1947 balance, if a balance is available. Otherwise you would get reductions in a great many cases larger than those intended by the Congress, because terminal-leave charges would be carried in the 1948 appropriation, and it would mean a further reduction of personnel beyond that now provided in those bills.

We felt that this provision would meet the intent of the Congress as expressed in several of the appropriation bills, namely, that the 1947 appropriation should bear this terminal-leave cost. It is apparent in most cases that no provision has been made in 1948 to take care of any of the terminal leave.

Mr. SHEPPARD. Mr. Lawton, I am not quite sure that I follow your proposal.

Mr. LAWTON. This provides that where notice of dismissal is given to an employee in the fiscal year 1947 and the actual termination date is in July, the terminal leave to which the employee is entitled may be charged to the 1947 appropriation.

Mr. SHEPPARD. But let us assume that they do not have any funds left in their 1947 account, do you not anticipate some difficulty in that case?

Mr. LAWTON. This is not a mandatory provision; it is only where they have available balances in the 1947 appropriation that it can be paid.

Mr. SHEPPARD. Let us assume that the appropriations have been very carefully pared down to meet the requirements and I mean literally the requirements without this item being a pertinent part of that consideration so far as the total costs covered by the bill are concerned. Just what are they going to do?

Mr. LAWTON. You are referring to 1947?

Mr. SHEPPARD. I am referring to 1948.

Mr. LAWTON. The situation as it exists at the present time —

Mr. SHEPPARD. If they had the money they would be all right.

Mr. LAWTON. If they have the money, yes.

Mr. SHEPPARD. If they do not have any money left in the 1947 account are they not going to be up against difficulty in 1948; will they not find themselves in a rather embarrassing position?

Mr. LAWTON. We are trying to avoid that embarrassing position by this proviso.

Mr. SHEPPARD. That is the purpose of it.

Mr. LAWTON. In most cases it could be assumed that the reduction would be made, at least to the extent of issuing notices before June 30.

Mr. SHEPPARD. And you feel that this proviso will take care of the situation?

Mr. LAWTON. We feel this provision would take care of the cases where it was contemplated that a reduction would be made in 1947, and no provision has been made for it in 1948 for terminal leave.

Mr. KEEFE. What is the accepted notice for dismissal in the Government service?

Mr. LAWTON. The regulations of the Civil Service Commission provide for a 30-day notice. Of course, it has not been given always.

Mr. KEEFE. There is no legal requirement to that effect?

Mr. LAWTON. The only legal requirement arises in connection with section 14 of the Veterans Preference Act, which provides that a discharged veteran must be given 30 days' notice.

Mr. KEEFE. That is a special provision in that act.

Mr. LAWTON. That is the provision contained in section 14 of Public Law 359, Seventy-eighth Congress.

Mr. KEEFE. But there is no provision of law affecting Government employees, which says that they must be given any specific notice.

Mr. LAWTON. There is not; no.

Mr. KEEFE. So that what you really refer is not a legal notice but a custom.

Mr. LAWTON. I am referring to a custom fixed by regulation; I am not referring to a legal requirement.

Mr. KEEFE. Which is generally observed.

Mr. LAWTON. In public and private employment.

Mr. KEEFE. Many of them give but 2 weeks.

Mr. LAWTON. The period of time varies. In some cases it is 2 weeks. Some Government employees have been given less time than that, depending upon the circumstances. The private employee usually has the benefit of unemployment compensation, while the Federal employee does not.

FRIDAY, JUNE 6, 1947.

DISTRICT OF COLUMBIA

STATEMENTS OF WILLIAM G. WILDING, DEPUTY BUDGET OFFICER, DISTRICT OF COLUMBIA; HOWARD AKERS, ASSISTANT SUPERINTENDENT, DISTRICT BUILDINGS; AND OTTO J. CASS, SUPERINTENDENT OF THE HOME FOR THE AGED AND INFIRM

COMPENSATION AND RETIREMENT FUND EXPENSES

The CHAIRMAN. Mr. Wilding, you have an estimate here in House Document No. 296 for a half dozen little items in the District of Columbia. The first item is compensation and retirement fund expenses, \$6,000, for 1947 workman's compensation. Why do you need that?

Mr. WILDING. That, Mr. Chairman, was submitted to us by the United States Employees' Compensation Commission as the cost to them of carrying out the provisions of Public Law 390. This was the salary increase, and we had hoped that they would advise us that sufficient savings had been made to absorb this amount. However, they have now renewed their request, and we are submitting this for reimbursement to the Employees' Compensation Commission for the administrative expenses incurred by that Commission, a Federal agency, for carrying out the law providing compensation for disability or death resulting to any employee in certain employments in the District of Columbia.

UNITED STATES COURTS

The CHAIRMAN. The next item is a 1946 deficiency of \$140,510.25 for an additional amount for United States courts. How do you get such a figure as that?

Mr. WILDING. That is an exact figure, because it has been audited and approved by the Auditor of the District of Columbia as the amount still due the Department of Justice and the judiciary under the provisions of those two respective appropriation acts which charge the District of Columbia 60 percent of the expenditures under appropriations for the district court of the United States and 30 percent of the expenditures under appropriations for the court of appeals. This is the remaining amount due to the Department of Justice and the judiciary under those provisions of law. There has been heretofore paid \$541,019.13 for the first three-quarters of the fiscal year 1946 and there is still due for the fourth quarter of that fiscal year \$198,791.12, or a total of \$739,810.25.

There was appropriated (an estimated amount only) in the District of Columbia Appropriation Act for 1946, \$599,300, which, of course, at that time was only an estimated amount, and is now found to be short of the amount necessary to be appropriated by the amount of this estimate, which is \$140,510.25.

Mr. STEFAN. There is nothing you can do about that, Mr. Chairman.

PUBLIC WELFARE

OPERATING EXPENSES, INSTITUTIONS FOR THE INDIGENT

The CHAIRMAN. The next item is public welfare, \$6,000 additional for operating expenses, institutions for the indigent.

Mr. WILDING. This is the amount which is required because of increased costs which have been incurred by the administration of the Home for the Aged and Infirm. The total deficiency required there is \$8,400, of which we have been enabled to save within the whole appropriation for the institutions for the indigent the sum of \$2,400, reducing the amount requested of Congress now to the amount of this pending estimate, \$6,000.

This is due entirely to the increased costs which have come upon us in the present fiscal year. This is for the present fiscal year.

JUDGMENTS AND AUDITED CLAIMS

The CHAIRMAN. You have a couple of judgments and some audited claims here. Put the budget statement of the audited claims in the hearing and the division of expenses.

Mr. WILDING. Yes, sir.

(The matter referred to is as follows:)

JUDGMENTS

For the payment of final judgments, including costs rendered against the District of Columbia, as set forth in House Document No. 296, together with such further sums as may be necessary to pay the interest at not exceeding 4 per centum per annum on such judgments, as provided by law, from the date the same became due until the date of payment-----	\$2, 364. 89
--	--------------

	Amount of judgment	Costs	Total
Fidelity and Deposit Company, of Maryland, a corporation-----	\$1,608.99		\$1,608.99
Hamilton National Bank-----		\$255.90	255.90
Robert F. C. Ross-----	500.00		500.00
Total-----	2,108.99	255.90	2,364.89

AUDITED CLAIMS

For the payment of the following claims, certified to be due by the accounting officers of the District of Columbia, under the appropriations listed below, the balances of which have been exhausted or carried to the surplus fund under the provisions of section 5 of the Act of June 20, 1874 (31 U. S. C. 713), being for the service of the fiscal year 1943 and prior fiscal years, as follows:

Refund of erroneous collections, District of Columbia, 1942-----	\$117.49
Refund of erroneous collections, District of Columbia, 1943-----	6,211.29
Street improvements, highway fund, District of Columbia, 1942 (payable from highway fund)-----	34,078.14
In all, \$40,406.92.	

DISTRICT OF COLUMBIA, PUBLIC WORKS

OPERATING EXPENSES, OFFICE OF SUPERINTENDENT OF DISTRICT BUILDINGS

The CHAIRMAN. There is also an item in House Document No. 250 for 1947 for "Operating expenses, Office of Superintendent of District Buildings," \$29,500.

Mr. WILDING. This request for an additional amount for the operating expenses of the Office of Superintendent of District Buildings for the fiscal year 1947, amounting to \$29,500, is due to the decrease in reimbursements received from the Federal Government in connection with their occupancy of the Municipal Center Building.

The CHAIRMAN. Why do you not give up some rented space so that that will offset this?

Mr. WILDING. We do not have sufficient rented space to enable us to compensate for that.

This is due, in great part, to the reduction in those reimbursements.

However, there have been certain costs which we could not escape, namely, the increased amount of the cost of steam, which has been increased as the result of an increase made back in December 1945 by the Public Works Agency from 55 cents to 65 cents per thousand pounds without any prior notice to us, and that amount was never put into our 1947 budget through an omission.

Mr. STEFAN. Are you going to get anything from the other governmental agencies to make up the \$29,500? How much of this \$29,500 is coming to you from other agencies?

Mr. WILDING. None of this \$29,500 is coming to us from other agencies, but we are receiving reimbursements from the Federal Government in the present year.

Mr. STEFAN. Put the amount in the record.

Mr. WILDING. Yes, sir.

(The matter referred to is as follows:)

Estimated, \$14,880.

Mr. STEFAN. Do you not have any money for this?

Mr. WILDING. No, sir; we do not have this \$29,500.

Mr. STEFAN. To whom do you owe it?

Mr. WILDING. This is for the additional cost of per diem labor, the increased cost in electricity, steam, and so forth.

Mr. STEFAN. Do you have the funds for that electricity for the next 3 weeks?

Mr. WILDING. That will be added to the appropriation for this year to meet our entire expenses for services for the present fiscal year.

ELEVATOR REPAIRS IN FORD BUILDING

I do not want to fail to call the attention of the committee to an item of \$4,700 for elevator repairs in the Ford Building. That is one of the 19 buildings under the Superintendent of District Buildings. That required the repair and complete replacement of the elevator machinery.

That is a freight elevator in that building and that could not be avoided.

Mr. STEFAN. The work has been done?

Mr. WILDING. That has been done.

Mr. STEFAN. And you do not have the money to pay the bill.

Mr. WILDING. We had to use it.

Mr. STEFAN. Have you any money on hand now?

Mr. WILDING. We have money.

Mr. STEFAN. How much money have you on hand for this building work?

Mr. WILDING. We have no money in here except the \$29,000.

Mr. STEFAN. You do have \$29,000?

Mr. WILDING. I will furnish you the exact amount we have on hand today if you want it for the record.

Mr. STEFAN. That may be obviated with what you have on hand.

Mr. WILDING. This has been carefully calculated at \$29,000, and represents the net amount after giving effect to all possible adjustments in the appropriation for the entire fiscal year of 1947. The appropriation amounted to \$548,000.

Mr. SHEPPARD. This \$29,000 you refer to and which you are justifying here appears in Document 250?

Mr. WILDING. Yes, sir.

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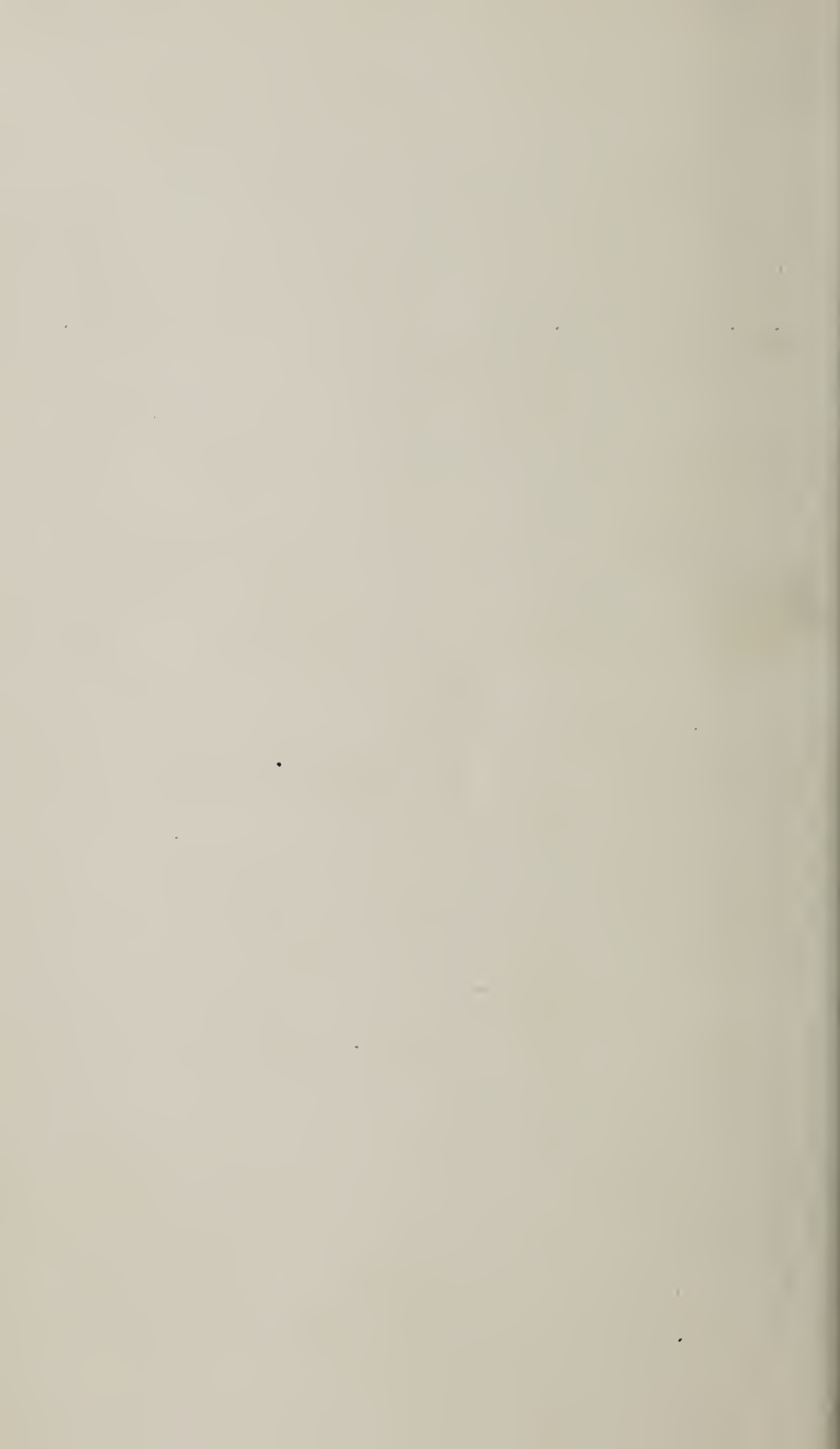
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DIGEST OF CONGRESSIONAL PROCEEDINGS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
Division of Legislative Reports
(For Department staff only)

Issued June 12, 1947
For actions of June 11, 1947
80th-1st, No. 110

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HIGHLIGHTS: House passed Gov't corporations appropriation bill, which includes FCA items. House committee reported deficiency appropriation bill, which includes items for Sugar Rationing Adm., ARA buildings, 1948 terminal-leave payments in 1947, and validation of certain deficiency obligations. H. Rules Committee cleared bill to terminate sugar rationing for home use; Rep. Hallock said would be debated today. Conference agreed on compromise wool bill. Rep. Dirksen explained status of meat-inspection employees under USDA appropriation bill and inserted correspondence with Mr. Jurn on this. Senate committee agreed "to take no further action at this time" on bill to authorize LBC-type loans by land banks. Rep. Rivers introduced bill authorizing USDA to dispose of surplus potatoes.

HOUSE

1. SECOND URGENT DEFICIENCY APPROPRIATION BILL, 1947, H. R. 3791, was reported by the Appropriations Committee (H. Rept. 557)(p. 6992). The bill includes the following items:

Provides that not over \$415,000 of the \$398,000 originally earmarked for payment of terminal leave may be used for expenses of operating Sugar Rationing Administration for the remainder of this fiscal year (same as Budget estimate).

Authorizes construction, from 1947 funds, of 4 buildings at the New Iberia Livestock Experiment Station, La., to replace buildings destroyed by storm (same as Budget estimate).

Provides that the limitation in the 1947 Agricultural Appropriation Act on the amount to be used for construction of a building for investigations of pneumoencephalitis in poultry be increased from \$30,000 to \$55,000 (Budget estimate \$65,000).

Ratifies and confirms all obligations incurred between June 30, 1947, and the date of enactment of the applicable appropriation acts as may not be enacted by July 1, 1947, in anticipation of such appropriations and authority if in accordance with the terms thereof.

Provides that, where employees are separated through reduction in force during July 1947 and were given separation notices during the fiscal year 1947, the lump-sum terminal-leave payments may be charged against unobligated 1947 appropriations from which such employees were paid.

Regarding the sugar item, the committee report states: "Testimony...indicated that rapid improvement is occurring in the sugar supply situation and there is a strong possibility that the future of this control program will not be long. It is hoped that continued improvement in the supply of sugar will allow the Department...to conclude this activity at an early date. The committee expects to go into the matter thoroughly in connection with a pending

estimate of \$5,000,000 for sugar rationing in the fiscal year 1948." Rep. Rayburn reserved points of order (p. 6938).

2. GOVERNMENT CORPORATIONS APPROPRIATION BILL, 1948. Passed with amendment this bill, H. R. 3756 (pp. 6942-90). No changes were made in items affecting this Department (for a list of such items see Digest 108). Most of the debate was on the TVA amortization provision.
3. SUGAR CONTROLS. The Rules Committee reported a resolution for consideration of H. R. 3612, to terminate sugar rationing for home consumption (H. Rept. 561) (p. 6992).
4. PERSONNEL. The Rules Committee reported a resolution for consideration of H. R. 966, requiring Government agencies to effectuate Civil Service Commission recommendations on appeals from discharges or suspensions of preference-eligibles (p. 6992).
5. WOOL-PRICE SUPPORTS. The "Daily Digest" states: "Conferees on S. 814, to establish a wool price support program, reached agreement, on which a report will be filed tomorrow. The agreement includes the following: "The Senate receded in all of the House amendments except one. That amendment, to section 4, the House receded with an amendment providing that wool should be included as a commodity under section 22 of the Triple A Act, and that no proclamation issued by the President with respect to wool under that act shall be enforced in contravention of any treaty or international agreement to which the U.S. is now a party." (p. D365.)
6. MEAT INSPECTION. Rep. Dirksen, Ill., explained that meat-inspection employees would continue to be Federal employees under the meat-inspection provision in the agricultural appropriation bill, and inserted correspondence between himself and Budget Officer Jump on this point (pp. 6939-40).
7. APPROPRIATIONS. Rep. Arends, Ill., inserted a Wall Street Journal editorial reporting a protest against attempts (not by Government employees) to get the USDA cuts restored (p. 6941).
8. LEGISLATIVE PROGRAM as announced by Majority Leader Halleck: Thurs., conference report on housing bill if filed in time; deficiency appropriation bill, sugar decontrol bill; Fri., information and educational exchange bill (pp. 6990-1).

SENATE

9. SUBSISTENCE EXPENSES. S. 544, as reported (see Digest 106) increases the maximum per-diem allowances to \$8 within continental U.S. and continues the Budget Bureau authority to establish higher rates outside continental U.S. It requires that such allowances be uniform and be established by the Budget Bureau after considering geographical location, type of work, and conditions under which the traveler operates.

The committee report states in part: "The Committee...feels that the enactment of this bill need not cause additional expenditures. All departments should be forewarned that, while they must pay the slightly increased rate provided by this bill, they must absorb these costs in whatever moneys are appropriated for them in fiscal 1948 and succeeding years...In other words, by paying the figure prescribed by the present bill, administrators, with whatever funds are appropriated for them, would be able to perform on the average approximately 92 percent of the travel which they contemplated performing when those funds were requested...If there is a large decline in prices, the Director of the Bureau of the Budget will be responsible for seeing that per diem costs are lowered

has just been arranged for by unanimous consent. The rule on the sugar decontrol bill has just been filed, and we should like to dispose of that tomorrow; and, also, if time permits, we should like to dispose of the bill from the Committee on Banking and Currency on disposition of war housing. It is then expected that on Friday we will resume consideration of H. R. 3342, commonly known as the Voice of America bill.

Mr. RAYBURN. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Texas.

Mr. RAYBURN. Do I understand correctly that regardless of whether or not all the matters that are programed for tomorrow are finished tomorrow, we will go on at 11 o'clock Friday with the so-called Voice of America bill.

Mr. HALLECK. That is my understanding.

COMMITTEE ON VETERANS' AFFAIRS

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent that the Committee on Veterans' Affairs be permitted to sit during the sessions of the House during general debate for the remainder of this week.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

Mr. DONDERO. Reserving the right to object, Mr. Speaker, will there be general debate in the House the rest of the week?

The SPEAKER. The Chair cannot definitely state that. There will be very little general debate tomorrow, the Chair thinks, and of course there will be none on Friday when the bill from the Committee on Foreign Affairs is being read for amendment.

Mr. DONDERO. I understand it is a ruling of the Speaker that committees will not be permitted to sit unless the House is engaged in general debate upon legislation.

The SPEAKER. The rules under which we have been conducting the House this year do not permit committees to hold hearings while the House is in session except when general debate is in progress.

Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

PORT OF BOSTON AND ITS ADVANTAGES

Mr. McCORMACK. Mr. Speaker, the port of Boston possesses excellent facilities and advantages for shipping and industry.

The port of Boston, oldest commercial seaport in the United States where waterborne trade has been going on since 1630, in normal times prior to the war was the second largest in the country in volume of import business.

In 1940, more than 19,000,000 tons of cargo and 7,000,000 passengers including those on coastwise runs, passed through the port of Boston. Of this cargo, 2,736,225 tons were in foreign commerce with an import value of \$164,000,000 and an export value of \$29,000,000, with \$33,000,000 in customs duties paid.

In this postwar year, under the direction of a new and aggressive Port of Boston Authority, the historic port is making steady strides toward regaining her position of commercial eminence. Steady increases have been recorded in recent months in tonnage figures of both import and export cargoes handled in the port, and this despite the fact that resumption of the once large and profitable coastwise trade has been slow for a variety of reasons.

Three hundred years of experience in handling export and import shipping as well as coastwise trade gives Boston a unique position among the ports of the country. While harbor, track, storage, and labor facilities have been generally strained in American ports since the war, the port of Boston facilities have been tested and found to be capable of handling vastly more than they have had to handle in any previous period.

Boston has an over-all water frontage of some 140 miles, of which 7 miles has a depth of 35 feet or more at mean low water. The main channel approach from Massachusetts Bay along its 7-mile stretch from open sea is 40 feet deep at mean low water. The port is capable of handling at its major piers the largest ships afloat in the largest sheltered harbor in the United States.

Storage and warehouse facilities are excellent, and include the Boston Army Supply Base, the second largest storehouse in the United States normally available for public use. Commonwealth Pier, Castle Island, and the Army base and the Boston and Albany docks are modern, well-equipped ocean terminals, and the port authority is now at work on a project to implement these facilities by a 10-year construction program which will see two new terminals constructed on the Charlestown waterfront, and additional piers on the South Boston and East Boston shores.

At South Boston is located the largest drydock on the east coast of the United States, constructed by the Commonwealth of Massachusetts, and of great value to shipping. Within the port area, at Quincy, Hingham, and East Boston are some of the largest and best equipped shipbuilding and repair yards in the Nation.

The important natural advantages of the port of Boston are supplemented by ample tug service, by a variety of terminals for handling specialized cargoes, by excellent floating cargo handling cranes, although lighterage is unnecessary, by direct rail and highway connection to every major terminal, by two grain elevators and by fumigating plants for wool and similar cargoes.

Its waterfront labor is considered the most skilled in the United States, with longshoremen to whom work on the piers is a family tradition and with a number

of competent stevedoring firms, equipped with the latest of mechanized cargo-handling equipment.

Safety contests and safety practices have brought insurance rates on industrial risks for stevedores, longshoremen, and other general-cargo handlers to among the lowest in the country, which is an important factor in lowering cargo handling costs.

Boston enjoys the same ocean rates for import and export business as all the North Atlantic ports, and today is on the same railroad-rate basis for foreign shipping as is New York. This gives an added advantage to shippers out of Boston, since this port provides direct railroad connections to the ships; the port is nearer Europe, the east coast of South America, and the Near East than any other American port, and nearness of shipping brokers and freight forwarders to the customhouse provide for speedy personalized service in clearances of necessary documentary papers.

The port of Boston is freer from the danger of delay arising from congestion than are other important Atlantic ports. One of Boston's great advantages lies in its facility for transfer of goods between ships and railroad cars. No water front in the United States can handle freight between rail and truck and ship with greater facility and economy than at the piers in Boston, served directly by railroad tracks which are usually located in the center of the pier under covered sheds, with rails depressed, avoiding the necessity of lighterage service which is common in New York, Philadelphia, and Baltimore. To the advantage of shippers from Boston, is the one handling of freight between railroad or truck and ship, thus materially reducing the hazards of damage, breakage, or pilferage, in contrast to the situation in other ports where in many instances merchandise is handled several times.

Present excellent terminal facilities including wharves, piers, supporting yards and track facilities, will be greatly improved with the return of facilities used by the Army during the war and the construction of new piers already authorized. All this adds up to increasing speed of handling; and warehouse space for cargo—the country's second largest and most efficient.

Boston's general cargo trade is served by the following piers: South Boston district, New York, New Haven & Hartford Railroad; Commonwealth pier, four berths operated by the Port of Boston Authority; Army base terminal, nine berths, operated by Boston Tidewater Terminal, Inc.; Castle Island terminal, seven berths operated by Terminal Operators, Inc., for account of Port of Boston Authority; East Boston district, New York Central System-Boston & Albany Railroad; East Boston terminal, seven berths, operated by New York Central System-Boston & Albany Railroad; Charlestown district, Boston & Maine Railroad; Mystic docks, six berths, operated by Boston & Maine Railroad; Wiggin terminal, four berths, operated by Wiggin Terminals, Inc.

Boston has two grain elevators, with a combined capacity of 1,440,000 bushels: East Boston Elevator, New York Central System and Boston & Albany Railroad; Mystic Elevator, Boston & Maine Railroad.

BILL PRESENTED TO THE PRESIDENT

Mr. LeCOMPTE, from the Committee on Enrolled Bills, reported that that committee did on June 10, 1947, present to the President, for his approval, a bill of the House of the following title:

H. R. 1288. An act to authorize the Secretary of the Interior to grant a private right-of-way to Roscoe L. Wood.

ADJOURNMENT

Mr. HALLECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 8 minutes p. m.) the House adjourned until tomorrow, Thursday, June 12, 1947, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

778. A letter from the Comptroller General of the United States, transmitting a report concerning the conversion of two cost-plus-a-fixed-fee contracts between the United States Maritime Commission and the California Shipbuilding Corp. to a fixed-price basis; to the Committee on Expenditures in the Executive Departments.

779. A letter from the Attorney General, transmitting a draft of a proposed bill to amend the immigration laws relating to stowaways; to the Committee on the Judiciary.

780. A letter from the Administrator, Federal Security Agency, transmitting a draft of a proposed bill to waive the maximum price limitations with respect to certain passenger motor vehicles purchased by the Public Health Service for use in the Philippine rehabilitation program; to the Committee on Expenditures in the Executive Departments.

781. A letter from the Comptroller General of the United States, transmitting a report on the audit of Reconstruction Finance Corporation and affiliated corporations for the fiscal year ended June 30, 1945 (H. Doc. No. 316); to the Committee on Expenditures in the Executive Departments and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. TABER: Committee on Appropriations. H. R. 3791. A bill making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1947, and for other purposes; without amendment (Rept. No. 557). Referred to the Committee of the Whole House on the State of the Union.

Mr. ANDREWS of New York: Committee on Armed Services. H. R. 3303. A bill to stimulate volunteer enlistments in the Regular Military Establishment of the United States; with an amendment (Rept. No. 558). Referred to the Committee of the Whole House on the State of the Union.

Mr. ALLEN of Illinois: Committee on Rules. H. R. 3612. A bill to amend the Sugar Control Extension Act of 1947, so as to terminate the authority to allocate or ration refined sugar among users for home con-

sumption; without amendment (Rept. No. 561). Referred to the House Calendar.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 243. Resolution providing for the consideration of H. R. 966, a bill to amend section 14 of the Veterans' Preference Act of June 27, 1944 (58 Stat. 387); without amendment (Rept. No. 562). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FELLOWS: Committee on the Judiciary. H. R. 649. A bill for the relief of Antonio Belaustegui; without amendment (Rept. No. 559). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary. H. R. 379. A bill for the relief of Kuo Yu Cheng; with an amendment (Rept. No. 560). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. TABER:

H. R. 3791. A bill making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1947, and for other purposes; to the Committee on Appropriations.

By Mr. SIMPSON of Illinois:

H. R. 3792. A bill to provide for the emergency flood-control work made necessary by recent floods, and for other purposes; to the Committee on Public Works.

By Mr. CANNON:

H. R. 3793. A bill to provide for emergency flood-control work made necessary by recent floods, and for other purposes; to the Committee on Public Works.

By Mr. COLE of Missouri:

H. R. 3794. A bill to incorporate National Service Star Legion; to the Committee on the Judiciary.

By Mr. McDONOUGH:

H. R. 3795. A bill to authorize the Federal Works Administrator to design and construct a new Federal office building at Los Angeles, Calif., on land now owned or hereafter acquired by the United States, and for other purposes; to the Committee on Public Works.

By Mr. SASSCER:

H. R. 3796. A bill to exempt from the manufacturers' excise tax certain articles sold to fire-fighting companies not organized for profit; to the Committee on Ways and Means.

By Mr. ALLEN of California:

H. R. 3797. A bill to authorize the official shorthand reporters of the municipal court for the District of Columbia to collect fees for transcripts, and for other purposes; to the Committee on the District of Columbia.

By Mr. MADDEN:

H. R. 3798. A bill to authorize a preliminary examination and survey of the Little Calumet River, Ind. and Ill., for flood control and run-off and water-flow retardation, and for soil-erosion prevention; to the Committee on Public Works.

By Mr. ANDREWS of New York:

H. R. 3799. A bill to authorize the heads of executive departments and independent establishments of the United States Government to grant employees leaves of absence for research and study, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. BOGGS of Louisiana:

H. R. 3800. A bill to amend the Surplus Property Act of 1944 to provide that veterans' organizations shall be given a priority in the purchase of surplus property; to the Com-

mittee on Expenditures in the Executive Departments.

By Mr. DIRKSEN:

H. R. 3801. A bill to amend the act entitled "An act to create a board of accountancy for the District of Columbia, and for other purposes"; to the Committee on the District of Columbia.

By Mr. KERSTEN of Wisconsin:

H. R. 3802. A bill to amend section 2 of the Migratory Bird Hunting Stamp Act of March 16, 1934 (48 Stat. 451; 16 U. S. C. 718b), as amended; to the Committee on Merchant Marine and Fisheries.

By Mrs. ROGERS of Massachusetts:

H. R. 3803. A bill to amend section 1602 of the Federal Unemployment Tax Act with respect to the allowance of an additional credit against the tax imposed by such act; to the Committee on Ways and Means.

By Mr. RIVERS:

H. R. 3804. A bill to authorize the Secretary of Agriculture to dispose of surplus Irish potatoes; to the Committee on Agriculture.

By Mr. LODGE:

H. J. Res. 215. Joint resolution to enable the President to utilize the appropriations for United States participation in the work of the United Nations Relief and Rehabilitation Administration for meeting administrative expenses of United States Government agencies in connection with United Nations Relief and Rehabilitation Administration liquidation; to the Committee on Foreign Affairs.

By Mrs. ROGERS of Massachusetts:

H. Res. 238. Resolution providing for the consideration of H. R. 3583; to the Committee on Rules.

H. Res. 239. Resolution providing for the consideration of H. R. 3516; to the Committee on Rules.

H. Res. 240. Resolution providing for the consideration of H. R. 3308; to the Committee on Rules.

By Mr. CORBETT:

H. Res. 241. Resolution providing for the printing as a House document the history of the Committee on the Judiciary; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. LEONARD W. HALL:

H. R. 3805. A bill for the relief of Thomas A. W. Elder; to the Committee on the Judiciary.

By Mr. KENNEDY:

H. R. 3806. A bill for the relief of the Somerville Dressed Meat Co., of Somerville, Mass.; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

623. By Mr. MARTIN of Massachusetts: Petition of William S. Greene Chapter, Disabled American Veterans, urging enactment of H. R. 2716; to the Committee on Veterans' Affairs.

624. By the SPEAKER: Petition of the Maryland State and District of Columbia Federation of Labor, petitioning consideration of their resolution with reference to endorsement of a suffrage bill for the District of Columbia; to the Committee on the District of Columbia.

625. Also, petition of the Council of the City of New York, petitioning consideration of their resolution with reference to entry into the United States of displaced persons; to the Committee on the Judiciary.

626. Also, petition of the Montana Society, Daughters of the American Revolution, petitioning consideration of their resolution with reference to representative government; to the Committee on the Judiciary.

NOTICE.—This report is given out subject to release when consideration of the bill which it accompanies has been completed by the whole committee. Please check on such action before release in order to be advised of any changes.

80TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
1st Session } No. 557

SECOND URGENT DEFICIENCY APPROPRIATION BILL,
1947

JUNE 11, 1947.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. TABER, from the Committee on Appropriations, submitted the following

R E P O R T

[To accompany H. R. 3791]

The Committee on Appropriations submits the following report in explanation of the accompanying bill making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1947, and for other purposes.

The estimates upon which the bill is based are contained in House Documents Nos. 108, 218, 225, 226, 227, 243, 250, 253, 277, 279, 286, 291, 293, 296, 297, 298, 302, 305, 308.

The bill includes a number of general deficiencies in various branches of the Government, the direct appropriations for which total \$58,856,-257.87.

The major portion of this amount is on account of the Veterans' Administration item of \$28,400,000 for administration, medical, hospital, and domiciliary services, 1947. A previous deficiency for this item for 1947, in the amount of \$307,258,000, was submitted and the situation is such as to lead the committee to the conclusion that the accompanying item should have been presented by the Budget Bureau some time ago in connection with the other deficiency rather than to have allowed the situation to become as acute as it has and necessitate two deficiency appropriations in the course of 2 months.

In addition to the item for the Veterans' Administration most of the other items in the bill are items which should have been presented

much earlier in the fiscal year. It is hoped that in the future presentation of such obviously necessary items will be made at an earlier date instead of waiting until the last 2 weeks of the fiscal year.

LEGISLATIVE

Budget estimates totaling \$65,000 were submitted for the contingent fund of the House of Representatives. The committee has recommended the full amount and in addition an item of \$12,500 for the beneficiary of a deceased Representative.

The committee has approved in full a budget estimate of \$1,196,500 for the Government Printing Office, of which \$1,175,000 is for working capital and congressional printing and binding. The item is necessary because of increased costs and increased work loads.

FEDERAL SECURITY AGENCY

The committee has approved the budget estimate of \$500,000 for the employees' compensation fund which will provide this item with a total amount of \$14,600,000 for the fiscal year 1947. This item is the cost of compensation as provided by law to employees of the Government who are injured in line of duty and on that account it is not possible to predict accurately what amount will be required.

There is also included, as proposed by the budget, a provision to permit the Office of Vocational Rehabilitation, Federal Security Agency, to make payments under the grant-in-aid program to the States for the first quarter of the fiscal year 1948. This is necessary in order to enable the Federal Security Agency to get the money in the hands of the States prior to July 1, such amounts as are paid to be charged to the appropriation carried in the regular appropriation bill for the Federal Security Agency for 1948 when it is enacted. In order to meet requirements of the States, these payments must be made by the 20th of June, and there is every possibility that the regular annual act will not have become law by that time. This provision is similar in nature and in purpose to the provisions relating to old-age pension payments, etc., in the second deficiency appropriation bill.

VETERANS' ADMINISTRATION

SALARIES AND EXPENSES

The committee recommends \$28,400,000 which is \$1,210,000 below the estimate. Information developed at the hearings indicates that this amount should be enough to carry through the balance of the year. The obligations through April were \$770,832,264 in addition to which there were transfer warrants issued in behalf of other Government agencies for \$7,318,811 making a total obligation through the end of April of \$778,151,075. The estimated obligations for May were stated to be \$92,500,000, and for June, \$67,000,000, which would indicate a total requirement through June of \$937,651,075, or approximately \$28,400,000 more than the estimated amount available at the present time.

DISTRICT OF COLUMBIA

The committee has recommended approval of eight miscellaneous items under the District of Columbia, including judgments and audited claims, totaling \$224,782.06. Of this amount \$140,510.25 is for reimbursement of the United States for that portion of the cost of operation of the courts in the District of Columbia properly chargeable, in accordance with a formula set forth in law, against the District of Columbia.

DEPARTMENT OF AGRICULTURE

The committee recommends a transfer of \$415,000 for the purpose of carrying out the sugar rationing program for the balance of fiscal year 1947. Testimony at the hearings indicated that rapid improvement is occurring in the sugar supply situation and there is a strong possibility that the future of this control program will not be long. It is hoped that continued improvement in the supply of sugar will allow the Department of Agriculture to conclude this activity at an early date. The committee expects to go into the matter thoroughly in connection with a pending estimate of \$5,000,000 for sugar rationing in the fiscal year 1948.

DEPARTMENT OF JUSTICE

The committee has approved various items involving additional appropriations of \$754,651.74, plus a transfer item and one for increase in limitation, details of which are shown in the table at the end of this report under Department of Justice.

POST OFFICE DEPARTMENT

The committee has recommended approval of items for Foreign Air-Mail Transportation in the fiscal years 1945, 1946, and 1947 totaling \$33,377,000 of which \$27,400,000 is to be appropriated and \$5,977,000 is to be derived by transfers from existing balances. The committee regrets exceedingly that the Post Office Department is not able to present a definite estimate as to the amounts that will be involved in final settlement of these items. The Post Office Department cannot, however, make this determination until the Civil Aeronautics Board has made a determination of the amount to be allowed to the carriers. It is disconcerting, to say the least, to be faced with this situation 2 years after the close of fiscal year 1945. Rates covering that period are not yet determined and the present amount is appropriated on the basis of temporary determinations by the Civil Aeronautics Board. The only reason for making the appropriation is in order to make payments on account to the carriers so they may maintain service. The committee feels very strongly that the policy of the Civil Aeronautics Board in deferring rate making is entirely out of line with the necessities of the situation and that rates can be more readily determined with adequate safeguards for the Federal Treasury.

TREASURY DEPARTMENT

The committee recommends appropriations of \$241,000 which represents a reduction of \$225,000 below the budget estimate. This reduction has been taken in penalty mail costs, 1947, inasmuch as the hearings indicated developments since the date of the original preparation of the estimate are such that the lesser amount will suffice and will not interfere with the handling of necessary mail.

VALIDATION OF 1948 OBLIGATIONS

It is apparent that some of the regular appropriation bills carrying funds for the various Government departments and agencies for the fiscal year 1948 will not become law by the 30th of June 1947. The committee has, therefore, inserted a provision (sec. 102) which validates the obligations incurred between June 30, 1947, and the date of enactment of such act, providing that the obligations incurred thereunder are in accordance with the law when enacted. This is the usual provision which has been enacted each year for a number of years to meet this situation.

TERMINAL LEAVE PAYMENTS

Certain employees of the Government will be discharged by reason of reduction in force during the latter part of June, and in many cases it will not be possible to make the actual separation date until some time in the month of July. Section 103 of the bill will allow the terminal leave payments due any such employee to be made from unobligated balances of the 1947 appropriation out of which the salary of such employee is payable, and thereby charging against the 1948 appropriation only the amount required to pay for the number of days the employee is actually carried on the rolls in July. It will provide for payment of terminal leave from 1947 appropriations only for those actually notified of dismissal during the month of June.

SECOND URGENT DEFICIENCY APPROPRIATION BILL, 1947

Comparative statement of the amounts of the budget estimates and of the amounts recommended to be appropriated by the bill

[The year indicated after each item denotes the fiscal year]

H. Doc. No.	Department or agency	Amount of budget estimate	Amount recommended in the bill	Increase (+) or decrease (-), bill compared with budget estimate
	GENERAL APPROPRIATIONS			
	LEGISLATIVE			
	HOUSE OF REPRESENTATIVES			
	Beneficiaries of deceased Representatives.....		\$12, 500. 00	+\$12, 500. 00
	Contingent expenses:			
293	Special and select committees, 1947.....	\$50, 000. 00	50, 000. 00	-----
293	Telegraph and telephone, 1947.....	15, 000. 00	15, 000. 00	-----
	Total, House of Representatives.....	65, 000. 00	77, 500. 00	+\$12, 500. 00
	GOVERNMENT PRINTING OFFICE			
218	Working capital and congressional printing and binding, 1947.....	1, 175, 000. 00	1, 175, 000. 00	-----
225	Salaries, Office of Superintendent of Documents, 1947.....	21, 500. 00	21, 500. 00	-----
	Total, Government Printing Office.....	1, 196, 500. 00	1, 196, 500. 00	-----
	Total, legislative establishment.....	1, 261, 500. 00	1, 274, 000. 00	+\$12, 500. 00

SECOND URGENT DEFICIENCY APPROPRIATION BILL, 1947—Continued

Comparative statement of the amounts of the budget estimates and of the amounts recommended to be appropriated by the bill—Continued

[The year indicated after each item denotes the fiscal year]

H. Doc. No.	Department or agency	Amount of budget estimate	Amount recommended in the bill	Increase (+) or decrease (—), bill compared with budget estimate
	GENERAL APPROPRIATIONS—Continued			
	THE JUDICIARY			
	COURT OF CUSTOMS AND PATENT APPEALS			
308	Printing and binding, 1946-----	\$1, 074. 07	\$1, 074. 07	-----
	MISCELLANEOUS ITEMS OF EXPENSE			
308	Printing and binding, 1946-----	7, 050. 00	7, 050. 00	-----
308	Fees of jurors, 1947-----	30, 000. 00	30, 000. 00	-----
308	Printing and binding, 1947-----	23, 700. 00	23, 700. 00	-----
	Total, miscellaneous items of expense-----	60, 750. 00	60, 750. 00	-----
	Total, the judiciary-----	61, 824. 07	61, 824. 07	-----
	INDEPENDENT OFFICES			
	FEDERAL SECURITY AGENCY			
	BUREAU OF EMPLOYEES' COMPENSATION			
291	Employees' compensation fund, 1947-----	500, 000. 00	500, 000. 00	-----

VETERANS' ADMINISTRATION			
277	Administration, medical, hospital, and domiciliary services, 1947	29, 610, 000. 00	28, 400, 000. 00
	Total, independent offices	30, 110, 000. 00	28, 900, 000. 00
DISTRICT OF COLUMBIA			
COMPENSATION AND RETIREMENT FUND EXPENSES			
296	Workmen's compensation, administrative expenses, 1947	6, 000. 00	6, 000. 00
COURTS			
296	United States courts, 1946	140, 510. 25	140, 510. 25
PUBLIC WELFARE			
296	Operating expenses, institutions for the indigent, 1947	6, 000. 00	6, 000. 00
PUBLIC WORKS			
250	Operating expenses, Office of Superintendent of District Buildings, 1947	29, 500. 00	29, 500. 00
JUDGMENTS			
296	Payment of final judgments	2, 364. 89	2, 364. 89
AUDITED CLAIMS			
296	Payment of certified claims	40, 406. 92	40, 406. 92
	Total, District of Columbia	224, 782. 06	224, 782. 06
			—\$1, 210, 000. 00
			—1, 210, 000. 00

SECOND URGENT DEFICIENCY APPROPRIATION BILL, 1947—Continued

Comparative statement of the amounts of the budget estimates and of the amounts recommended to be appropriated by the bill—Continued

[The year indicated after each item denotes the fiscal year]

H. Doc. No.	Department or agency	Amount of budget estimate	Amount recommended in the bill	Increase (+) or decrease (-), bill compared with budget estimate
	GENERAL APPROPRIATIONS—Continued			
	DEPARTMENT OF AGRICULTURE			
	SUGAR RATIONING ADMINISTRATION			
279	Salaries and expenses, 1947	(1)	(1)	
	DEPARTMENT OF JUSTICE			
	LEGAL ACTIVITIES AND GENERAL ADMINISTRATION			
227	Traveling expenses, 1942	\$14.04	\$14.04	
227 297	Salaries and expenses, Lands Division, 1942	137.70	137.70	
297	Examination of judicial offices, 1947	(2)	(2)	
227	Printing and binding, 1946	65,000.00	65,000.00	
227	Miscellaneous salaries and expenses, field, 1946	20,000.00	20,000.00	
227	Salaries and expenses of marshals, and so forth, 1946	10,000.00	10,000.00	
227	Contingent expenses, 1947	10,000.00	10,000.00	

227	Printing and binding, 1947	80,000.00	80,000.00	-----
227	Miscellaneous salaries and expenses, field, 1947	29,500.00	29,500.00	-----
227	Salaries and expenses of marshals, and so forth, 1947	140,000.00	140,000.00	-----
297	Fees of witnesses	(³)	(³)	-----
	Total, legal activities and general administration	354,651.74	354,651.74	-----
	IMMIGRATION AND NATURALIZATION SERVICE			
	Salaries and expenses, 1947	400,000.00	400,000.00	-----
	Total, Department of Justice	754,651.74	754,651.74	-----
108}	POST OFFICE DEPARTMENT			-----
298}	(Out of the postal revenues)			-----
	FIELD SERVICE, POST OFFICE DEPARTMENT			
	OFFICE OF THE SECOND ASSISTANT POSTMASTER GENERAL			
243	Foreign air-mail transportation, 1945	3,919,000.00	3,919,000.00	-----
243	Foreign air-mail transportation, 1946	8,196,000.00	8,196,000.00	-----
243	Foreign air-mail transportation, 1947	⁴ 15,285,000.00	⁴ 15,285,000.00	-----
	Total, Post Office Department	27,400,000.00	27,400,000.00	-----

¹ Not to exceed \$415,000 transfer from funds provided in sec. 3 (c) of the Sugar Control Extension Act of 1947.

² Transfer of \$5,000 from "Traveling expenses, Department of Justice," 1947.

³ Increase in limitation from \$25,000 to \$50,000.

⁴ Additional amount of \$5,977,000 to be transferred from "Domestic air mail service," \$5,972,000, and "Electric-car service," \$5,000.

SECOND URGENT DEFICIENCY APPROPRIATION BILL, 1947—Continued

Comparative statement of the amounts of the budget estimates and of the amounts recommended to be appropriated by the bill—Continued

[The year indicated after each item denotes the fiscal year]

H. Doc. No.	Department or agency	Amount of budget estimate	Amount recommended in the bill	Increase (+) or decrease (—), bill compared with budget estimate
	TREASURY DEPARTMENT			
	OFFICE OF THE SECRETARY			
226	Penalty-mail costs, 1947-----	\$450, 000. 00	\$225, 000. 00	—\$225, 000. 00
	FISCAL SERVICE			
286	Emergency relief, liquidation fund-----	(5)	(5)	-----
	BUREAU OF INTERNAL REVENUE			
286	Salaries and expenses, 1947-----	(6)	(6)	-----
	SECRET SERVICE DIVISION			
226	Reimbursement to District of Columbia, benefit payments to White House Police and Secret Service forces, 1947-----	16, 000. 00	16, 000. 00	-----
	Total, Treasury Department-----	466, 000. 00	241, 000. 00	—225, 000. 00
	Total, general appropriations-----	60, 278, 757. 87	58, 856, 257. 87	—1, 422, 500. 00

⁵ Title II of the Urgent Deficiency Appropriation Act, 1947 (Public Law 20) is amended by deleting the figures "\$1,280,000" following the words "Bureau of Accounts"; "Emergency relief, liquidation fund," and inserting in lieu thereof the figures "\$1,243,555.94."

⁶ Amount which may be expended for printing and binding 1947 is hereby increased from \$2,200,000 to \$2,300,000.



NOTICE: This bill is given out subject to release when consideration of it has been completed by the Whole Committee. Please check on such action before release in order to be advised of any changes.

[COMMITTEE PRINT]

Union Calendar No.

80TH CONGRESS
1st Session

H. R. 3791

[Report No.]

IN THE HOUSE OF REPRESENTATIVES

JUNE 11, 1947

Mr. TABER, from the Committee on Appropriations, reported the following bill; which was committed to the Committee of the Whole House on the State of the Union and ordered to be printed

A BILL

Making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1947, and for other purposes.

- 1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, to supply urgent
5 deficiencies in certain appropriations for the fiscal year
6 ending June 30, 1947, and for other purposes, namely:

1 LEGISLATIVE BRANCH

2 HOUSE OF REPRESENTATIVES

3 For payment to Marcia Marie Bradley, widow of Fred
4 Bradley, late a Representative from the State of Michigan,
5 \$12,500.

6 CONTINGENT EXPENSES OF THE HOUSE

7 Special and select committees: For an additional
8 amount, fiscal year 1947, for "Special and select commit-
9 tees", \$50,000.

10 Telegraph and telephone: For an additional amount,
11 fiscal year 1947, for "Telegraph and telephone", \$15,000.

12 GOVERNMENT PRINTING OFFICE

13 WORKING CAPITAL AND CONGRESSIONAL PRINTING AND
14 BINDING

15 For an additional amount for "Working capital and con-
16 gressional printing and binding", fiscal year 1947, \$1,175,-
17 000: *Provided*, That the limitation upon the amount which
18 may be expended for printing, binding, and distribution of
19 the Federal Register is hereby increased from "\$500,000"
20 to "\$525,000" and the limitation upon the amount which
21 may be expended for printing and binding the supplements
22 to the Code of Federal Regulations is hereby increased from
23 "\$100,000" to "\$125,000".

OFFICE OF SUPERINTENDENT OF DOCUMENTS

Salaries: For an additional amount, fiscal year 1947,
for "Salaries", \$21,500.

THE JUDICIARY

COURT OF CUSTOMS AND PATENT APPEALS

Printing and binding: For an additional amount, fiscal
year 1946, for "Printing and binding", \$1,074.07.

MISCELLANEOUS ITEMS OF EXPENSE

Printing and binding: For an additional amount, fiscal
year 1946, for "Printing and binding", \$7,050.

Fees of jurors: For an additional amount, fiscal year
1947, for "Fees of jurors", \$30,000.

Printing and binding: For an additional amount, fiscal
year 1947, for "Printing and binding", \$23,700.

INDEPENDENT OFFICES

FEDERAL SECURITY AGENCY

BUREAU OF EMPLOYEES' COMPENSATION

Employees' compensation fund: For an additional
amount, fiscal year 1947, for "Employees' compensation
fund", \$500,000.

OFFICE OF VOCATIONAL REHABILITATION

Such sums as may be necessary are hereby appropriated
for making for the first quarter of the fiscal year 1948 pay-

1 ments to States in accordance with the Vocational Rehabili-
 2 tation Act, as amended (29 U. S. C., ch. 4) : *Provided*,
 3 That the obligations incurred and expenditures made for such
 4 purpose under the authority of this appropriation shall be
 5 charged to the appropriation therefor in the Labor-Federal
 6 Security Appropriation Act, 1948.

7 VETERANS' ADMINISTRATION

8 Administration, medical, hospital, and domiciliary serv-
 9 ices: For an additional amount, fiscal year 1947, for
 10 "Administration, medical, hospital, and domiciliary services",
 11 \$28,400,000.

12 DISTRICT OF COLUMBIA

13 COMPENSATION AND RETIREMENT FUND EXPENSES

14 Workmen's compensation, administrative expenses: For
 15 an additional amount, fiscal year 1947, for "Workmen's com-
 16 pensation, administrative expenses", \$6,000.

17 COURTS

18 United States courts: For an additional amount, fiscal
 19 year 1946, for "United States courts", \$140,510.25.

20 PUBLIC WELFARE

21 Operating expenses, institutions for the indigent: For an
 22 additional amount, fiscal year 1947, for "Operating expenses,
 23 institutions for the indigent", \$6,000.

PUBLIC WORKS

Operating expenses, Office of Superintendent of District Buildings: For an additional amount, fiscal year 1947, for "Operating expenses, Office of Superintendent of District Buildings", \$29,500.

JUDGMENTS

For the payment of final judgments, including costs rendered against the District of Columbia, as set forth in House Document Numbered 296, together with such further sums as may be necessary to pay the interest at not exceeding 4 per centum per annum on such judgments, as provided by law, from the date the same became due until the date of payment, \$2,364.89.

AUDITED CLAIMS

For the payment of the following claims, certified to be due by the accounting officers of the District of Columbia, under the appropriations listed below, the balances of which have been exhausted or carried to the surplus fund under the provisions of section 5 of the Act of June 20, 1874 (31 U. S. C. 713), being for the service of the fiscal year 1943 and prior fiscal years, as follows:

Refund of erroneous collections, District of Columbia, 1942, \$117.49;

1 Refund of erroneous collections, District of Columbia,
2 1943, \$6,211.29;

3 Street improvements, highway fund, District of Colum-
4 bia, 1942 (payable from highway fund), \$34,078.14.

5 DIVISION OF EXPENSES

6 The sums appropriated in this Act for the District of
7 Columbia shall, unless otherwise specifically provided, be
8 paid out of the general fund of the District of Columbia, as
9 defined in the District of Columbia Appropriation Act, 1947.

10 DEPARTMENT OF AGRICULTURE

11 SUGAR RATIONING ADMINISTRATION

12 Salaries and expenses: Not to exceed \$415,000 of the
13 \$898,000 transferred to the Department of Agriculture pur-
14 suant to section 3 (c) of the Sugar Control Extension Act
15 of 1947 for the payment of terminal leave, is hereby
16 merged with and made available for the fiscal year 1947
17 for the same purposes as other funds transferred to the
18 Department of Agriculture pursuant to the same authority,
19 notwithstanding the provisions to the contrary under the
20 head "Office of Temporary Controls" in the Urgent De-
21 ficiency Appropriation Act, 1947.

22 AGRICULTURAL RESEARCH ADMINISTRATION

23 REPAIR OF STORM DAMAGE, JEANERETTE, LOUISIANA

24 The limitation under the head "Agricultural Research
25 Administration, Office of the Administrator", in the 1947

1 Department of Agriculture Appropriation Act on the cost
 2 of constructing buildings shall not apply to the construction
 3 of four buildings at the New Iberia Livestock Experiment
 4 Station, Jeanerette, Louisiana, to replace buildings destroyed
 5 by windstorm.

6 BUREAU OF ANIMAL INDUSTRY

7 Diseases of animals: The limitation under this head in
 8 the Department of Agriculture Appropriation Act, 1947,
 9 on the amount which may be used for construction of a
 10 building for conducting investigations of pneumoencephalitis
 11 in poultry is hereby increased from “\$30,000” to “\$55,000”

12 DEPARTMENT OF JUSTICE

13 LEGAL ACTIVITIES AND GENERAL ADMINISTRATION

14 Traveling expenses: For an additional amount, fiscal
 15 year 1942, for “Traveling expenses”, \$14.04.

16 Salaries and expenses, Lands Division: For an addi-
 17 tional amount, fiscal year 1942, for “Salaries and expenses,
 18 Lands Division”, \$137.70.

19 There is hereby transferred the sum of \$5,000 from the
 20 appropriation “Traveling expenses, Department of Justice
 21 1947”, to the appropriation “Examination of judicial offices,
 22 1947”.

23 Printing and binding: For an additional amount, fiscal
 24 year 1946, for “Printing and binding”, \$65,000.

25 Miscellaneous salaries and expenses, field: For an addi-

1 tional amount, fiscal year 1946, for "Miscellaneous salaries
2 and expenses, field", \$20,000.

3 Salaries and expenses of marshals, and so forth: For an
4 additional amount, fiscal year 1946, for "Salaries and ex-
5 penses of marshals, and so forth", \$10,000.

6 Contingent expenses: For an additional amount, fiscal
7 year 1947, for "Contingent expenses", \$10,000.

8 Printing and binding: For an additional amount, fiscal
9 year 1947, for "Printing and binding", \$80,000.

10 Miscellaneous salaries and expenses, field: For an addi-
11 tional amount, fiscal year 1947, for "Miscellaneous salaries
12 and expenses, field", \$29,500.

13 Salaries and expenses of marshals, and so forth: For an
14 additional amount, fiscal year 1947, for "Salaries and ex-
15 penses of marshals, and so forth", \$140,000.

16 Fees of witnesses: The limitation on the amount which
17 may be expended for compensation and expenses of witnesses
18 or informants as may be authorized or approved by the
19 Attorney General, fiscal year 1947, is hereby increased from
20 "\$25,000" to "\$50,000".

21 IMMIGRATION AND NATURALIZATION SERVICE

22 Salaries and expenses, Immigration and Naturalization
23 Service: For an additional amount, fiscal year 1947, for
24 "Salaries and expenses, Immigration and Naturalization
25 Service", \$400,000.

1 POST OFFICE DEPARTMENT

2 (Out of the Postal Revenues)

3 FIELD SERVICE, POST OFFICE DEPARTMENT

4 OFFICE OF THE SECOND ASSISTANT POSTMASTER GENERAL

5 Foreign air-mail transportation: For an additional
6 amount, fiscal year 1945, for "Foreign air-mail transporta-
7 tion", \$3,919,000.

8 Foreign air-mail transportation: For an additional
9 amount, fiscal year 1946, for "Foreign air-mail transporta-
10 tion", \$8,196,000.

11 Foreign air-mail transportation: For an additional
12 amount, fiscal year 1947, for "Foreign air-mail transporta-
13 tion", \$21,262,000, of which \$5,977,000 is to be transferred
14 in the following respective amounts from the appropriations
15 "Domestic Air Mail Service", \$5,972,000, and "Electric-car
16 service", \$5,000, \$15,285,000.

17 TREASURY DEPARTMENT

18 OFFICE OF THE SECRETARY

19 Penalty-mail costs: For an additional amount, fiscal
20 year 1947, for "Penalty-mail costs", Treasury Department,
21 \$225,000.

22 FISCAL SERVICE

23 Emergency relief, liquidation fund: Title II of the
24 Urgent Deficiency Appropriation Act, 1947 (Public Law
25 20), is amended by deleting the figures "\$1,280,000" follow-

1 ing the words "Bureau of Accounts: Emergency relief,
2 liquidation fund", and inserting in lieu thereof the figures
3 "\$1,243,555.94".

4 BUREAU OF INTERNAL REVENUE

5 Salaries and expenses: The limitation under "Salaries
6 and expenses", Bureau of Internal Revenue, on the amount
7 which may be expended for printing and binding, fiscal
8 year 1947, is hereby increased from "\$2,200,000" to
9 "\$2,390,000".

10 SECRET SERVICE DIVISION

11 Reimbursement to District of Columbia, benefit pay-
12 ments to White House Police and Secret Service forces:
13 For an additional amount, fiscal year 1947, for "Reimburse-
14 ment to District of Columbia, benefit payments to White
15 House Police and Secret Service forces", \$16,000.

16 GENERAL PROVISIONS

17 SEC. 102. The appropriations and authority with respect
18 to appropriations contained in (1) any regular annual
19 appropriation Act for the fiscal year 1948, or (2) contained
20 in other than a regular annual appropriation Act for the
21 fiscal year 1948, and being for such fiscal year, or (3)
22 contained in other than a regular annual appropriation Act
23 for the fiscal year 1948, and being supplemental to an exist-
24 ing appropriation and for obligation after June 30, 1947,
25 such Acts not being laws on July 1, 1947, shall be available

1 from and including July 1, 1947, for the purposes respectively
2 provided in such appropriations and authority. All obliga-
3 tions incurred during the period between June 30, 1947,
4 and the date of enactment of such appropriation Acts as may
5 not have been enacted on or before July 1, 1947, in anticipa-
6 tion of such appropriations and authority are hereby ratified
7 and confirmed if in accordance with the terms thereof.

8 SEC. 103. When employees are separated from the serv-
9 ice during July 1947 by reason of a reduction-in-force and
10 have been given notice of such separation during the fiscal
11 year 1947, lump-sum payments for accumulated leave may
12 be charged against unobligated balances of the 1947 appro-
13 priations from which such employees were paid: *Provided*,
14 That subparagraphs (A) and (B) of paragraph (1) of
15 section 14 (a) of the Federal Employees Pay Act of 1946
16 (Public Law 390) shall not apply to such employees.

17 SEC. 104. No part of any appropriation contained in
18 this Act shall be used to pay the salary or wages of any
19 person who engages in a strike against the Government of
20 the United States or who is a member of an organization
21 of Government employees that asserts the right to strike
22 against the Government of the United States, or who advo-
23 cates, or is a member of an organization that advocates, the
24 overthrow of the Government of the United States by force
25 or violence: *Provided*, That for the purposes hereof an affi-

1 davit shall be considered prima facie evidence that the person
2 making the affidavit has not contrary to the provisions of
3 this section engaged in a strike against the Government of
4 the United States, is not a member of an organization of
5 Government employees that asserts the right to strike against
6 the Government of the United States, or that such person
7 does not advocate, and is not a member of an organization
8 that advocates, the overthrow of the Government of the
9 United States by force or violence: *Provided further*, That
10 any person who engages in a strike against the Government
11 of the United States or who is a member of an organization
12 of Government employees that asserts the right to strike
13 against the Government of the United States, or who ad-
14 vocates, or who is a member of an organization that advo-
15 cates, the overthrow of the Government of the United States
16 by force or violence and accepts employment the salary or
17 wages for which are paid from any appropriation contained
18 in this Act shall be guilty of a felony and, upon conviction,
19 shall be fined not more than \$1,000 or imprisoned for not
20 more than one year, or both: *Provided further*, That the
21 above penalty clause shall be in addition to, and not in
22 substitution for, any other provisions of existing law.

23 SEC. 105. This Act may be cited as the "Second Urgent
24 Deficiency Appropriation Act, 1947".

A BILL

Making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1947, and for other purposes.

By Mr. TARR

JUNE 11, 1947

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

SECOND URGENT DEFICIENCY APPROPRIATION BILL,
1947

JUNE 11, 1947.—Committed to the Committee of the Whole House on the State
of the Union and ordered to be printed

MR. TABER, from the Committee on Appropriations, submitted the
following

R E P O R T

[To accompany H. R. 3791]

The Committee on Appropriations submits the following report in explanation of the accompanying bill making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1947, and for other purposes.

The estimates upon which the bill is based are contained in House Documents Nos. 108, 218, 225, 226, 227, 243, 250, 253, 277, 279, 286, 291, 293, 296, 297, 298, 302, 305, 308.

The bill includes a number of general deficiencies in various branches of the Government, the direct appropriations for which total \$58,856,-257.87.

The major portion of this amount is on account of the Veterans' Administration item of \$28,400,000 for administration, medical, hospital, and domiciliary services, 1947. A previous deficiency for this item for 1947, in the amount of \$307,258,000, was submitted and the situation is such as to lead the committee to the conclusion that the accompanying item should have been presented by the Budget Bureau some time ago in connection with the other deficiency rather than to have allowed the situation to become as acute as it has and necessitate two deficiency appropriations in the course of 2 months.

In addition to the item for the Veterans' Administration most of the other items in the bill are items which should have been presented

much earlier in the fiscal year. It is hoped that in the future presentation of such obviously necessary items will be made at an earlier date instead of waiting until the last 2 weeks of the fiscal year.

LEGISLATIVE

Budget estimates totaling \$65,000 were submitted for the contingent fund of the House of Representatives. The committee has recommended the full amount and in addition an item of \$12,500 for the beneficiary of a deceased Representative.

The committee has approved in full a budget estimate of \$1,196,500 for the Government Printing Office, of which \$1,175,000 is for working capital and congressional printing and binding. The item is necessary because of increased costs and increased work loads.

FEDERAL SECURITY AGENCY

The committee has approved the budget estimate of \$500,000 for the employees' compensation fund which will provide this item with a total amount of \$14,600,000 for the fiscal year 1947. This item is the cost of compensation as provided by law to employees of the Government who are injured in line of duty and on that account it is not possible to predict accurately what amount will be required.

There is also included, as proposed by the budget, a provision to permit the Office of Vocational Rehabilitation, Federal Security Agency, to make payments under the grant-in-aid program to the States for the first quarter of the fiscal year 1948. This is necessary in order to enable the Federal Security Agency to get the money in the hands of the States prior to July 1, such amounts as are paid to be charged to the appropriation carried in the regular appropriation bill for the Federal Security Agency for 1948 when it is enacted. In order to meet requirements of the States, these payments must be made by the 20th of June, and there is every possibility that the regular annual act will not have become law by that time. This provision is similar in nature and in purpose to the provisions relating to old-age pension payments, etc., in the second deficiency appropriation bill.

VETERANS' ADMINISTRATION

SALARIES AND EXPENSES

The committee recommends \$28,400,000 which is \$1,210,000 below the estimate. Information developed at the hearings indicates that this amount should be enough to carry through the balance of the year. The obligations through April were \$770,832,264 in addition to which there were transfer warrants issued in behalf of other Government agencies for \$7,318,811 making a total obligation through the end of April of \$778,151,075. The estimated obligations for May were stated to be \$92,500,000, and for June, \$67,000,000 which would indicate a total requirement through June of \$937,651,075, or approximately \$28,400,000 more than the estimated amount available at the present time.

DISTRICT OF COLUMBIA

The committee has recommended approval of eight miscellaneous items under the District of Columbia, including judgments and audited claims, totaling \$224,782.06. Of this amount \$140,510.25 is for reimbursement of the United States for that portion of the cost of operation of the courts in the District of Columbia properly chargeable, in accordance with a formula set forth in law, against the District of Columbia.

DEPARTMENT OF AGRICULTURE

The committee recommends a transfer of \$415,000 for the purpose of carrying out the sugar rationing program for the balance of fiscal year 1947. Testimony at the hearings indicated that rapid improvement is occurring in the sugar supply situation and there is a strong possibility that the future of this control program will not be long. It is hoped that continued improvement in the supply of sugar will allow the Department of Agriculture to conclude this activity at an early date. The committee expects to go into the matter thoroughly in connection with a pending estimate of \$5,000,000 for sugar rationing in the fiscal year 1948.

DEPARTMENT OF JUSTICE

The committee has approved various items involving additional appropriations of \$754,651.74, plus a transfer item and one for increase in limitation, details of which are shown in the table at the end of this report under Department of Justice.

POST OFFICE DEPARTMENT

The committee has recommended approval of items for Foreign Air-Mail Transportation in the fiscal years 1945, 1946, and 1947 totaling \$33,377,000 of which \$27,400,000 is to be appropriated and \$5,977,000 is to be derived by transfers from existing balances. The committee regrets exceedingly that the Post Office Department is not able to present a definite estimate as to the amounts that will be involved in final settlement of these items. The Post Office Department cannot, however, make this determination until the Civil Aeronautics Board has made a determination of the amount to be allowed to the carriers. It is disconcerting, to say the least, to be faced with this situation 2 years after the close of fiscal year 1945. Rates covering that period are not yet determined and the present amount is appropriated on the basis of temporary determinations by the Civil Aeronautics Board. The only reason for making the appropriation is in order to make payments on account to the carriers so they may maintain service. The committee feels very strongly that the policy of the Civil Aeronautics Board in deferring rate making is entirely out of line with the necessities of the situation and that rates can be more readily determined with adequate safeguards for the Federal Treasury.

TREASURY DEPARTMENT

The committee recommends appropriations of \$241,000 which represents a reduction of \$225,000 below the budget estimate. This reduction has been taken in penalty mail costs, 1947, inasmuch as the hearings indicated developments since the date of the original preparation of the estimate are such that the lesser amount will suffice and will not interfere with the handling of necessary mail.

VALIDATION OF 1948 OBLIGATIONS

It is apparent that some of the regular appropriation bills carrying funds for the various Government departments and agencies for the fiscal year 1948 will not become law by the 30th of June 1947. The committee has, therefore, inserted a provision (sec. 102) which validates the obligations incurred between June 30, 1947, and the date of enactment of such act, providing that the obligations incurred thereunder are in accordance with the law when enacted. This is the usual provision which has been enacted each year for a number of years to meet this situation.

TERMINAL LEAVE PAYMENTS

Certain employees of the Government will be discharged by reason of reduction in force during the latter part of June, and in many cases it will not be possible to make the actual separation date until some time in the month of July. Section 103 of the bill will allow the terminal leave payments due any such employee to be made from unobligated balances of the 1947 appropriation out of which the salary of such employee is payable, and thereby charging against the 1948 appropriation only the amount required to pay for the number of days the employee is actually carried on the rolls in July. It will provide for payment of terminal leave from 1947 appropriations only for those actually notified of dismissal during the month of June.

SECOND URGENT DEFICIENCY APPROPRIATION BILL, 1947

Comparative statement of the amounts of the budget estimates and of the amounts recommended to be appropriated by the bill

[The year indicated after each item denotes the fiscal year]

II. Doc. No.	Department or agency	Amount of budget estimate	Amount recommended in the bill	Increase (+) or decrease (-), bill compared with budget estimate
	GENERAL APPROPRIATIONS			
	LEGISLATIVE			
	HOUSE OF REPRESENTATIVES			
	Beneficiaries of deceased Representatives-----	-----	\$12, 500. 00	+\$12, 500. 00
	Contingent expenses:			
293	Special and select committees, 1947-----	\$50, 000. 00	50, 000. 00	-----
293	Telegraph and telephone, 1947-----	15, 000. 00	15, 000. 00	-----
	Total, House of Representatives-----	65, 000. 00	77, 500. 00	+ 12, 500. 00
	GOVERNMENT PRINTING OFFICE			
218	Working capital and congressional printing and binding, 1947-----	1, 175, 000. 00	1, 175, 000. 00	-----
225	Salaries, Office of Superintendent of Documents, 1947-----	21, 500. 00	21, 500. 00	-----
	Total, Government Printing Office-----	1, 196, 500. 00	1, 196, 500. 00	-----
	Total, legislative establishment-----	1, 261, 500. 00	1, 274, 000. 00	+ 12, 500. 00

SECOND URGENT DEFICIENCY APPROPRIATION BILL, 1947—Continued

Comparative statement of the amounts of the budget estimates and of the amounts recommended to be appropriated by the bill—Continued

[The year indicated after each item denotes the fiscal year]

H. Doc. No.	Department or agency	Amount of budget estimate	Amount recommended in the bill	Increase (+) or decrease (-), bill compared with budget estimate
	GENERAL APPROPRIATIONS—Continued			
	THE JUDICIARY			
	COURT OF CUSTOMS AND PATENT APPEALS			
308	Printing and binding, 1946.....	\$1, 074. 07	\$1, 074. 07	-----
	MISCELLANEOUS ITEMS OF EXPENSE			
308	Printing and binding, 1946.....	7, 050. 00	7, 050. 00	-----
308	Fees of jurors, 1947.....	30, 000. 00	30, 000. 00	-----
308	Printing and binding, 1947.....	23, 700. 00	23, 700. 00	-----
	Total, miscellaneous items of expense.....	60, 750. 00	60, 750. 00	-----
	Total, the judiciary.....	61, 824. 07	61, 824. 07	-----
	INDEPENDENT OFFICES			
	FEDERAL SECURITY AGENCY			
	BUREAU OF EMPLOYEES' COMPENSATION			
291	Employees' compensation fund, 1947.....	500, 000. 00	500, 000. 00	-----

277	VETERANS' ADMINISTRATION				
	Administration, medical, hospital, and domiciliary services, 1947-----	29, 610, 000. 00	28, 400, 000. 00	-\$1, 210, 000. 00	
	Total, independent offices-----	30, 110, 000. 00	28, 900, 000. 00	-1, 210, 000. 00	
	DISTRICT OF COLUMBIA				
	COMPENSATION AND RETIREMENT FUND EXPENSES				
296	Workmen's compensation, administrative expenses, 1947-----	6, 000. 00	6, 000. 00	-----	
	COURTS				
296	United States courts, 1946-----	140, 510. 25	140, 510. 25	-----	
	PUBLIC WELFARE				
296	Operating expenses, institutions for the indigent, 1947-----	6, 000. 00	6, 000. 00	-----	
	PUBLIC WORKS				
250	Operating expenses, Office of Superintendent of District Buildings, 1947-----	29, 500. 00	29, 500. 00	-----	
	JUDGMENTS				
296	Payment of final judgments-----	2, 364. 89	2, 364. 89	-----	
	AUDITED CLAIMS				
296	Payment of certified claims-----	40, 406. 92	40, 406. 92	-----	
	Total, District of Columbia-----	224, 782. 06	224, 782. 06	-----	

SECOND URGENT DEFICIENCY APPROPRIATION BILL, 1947—Continued

Comparative statement of the amounts of the budget estimates and of the amounts recommended to be appropriated by the bill—Continued

[The year indicated after each item denotes the fiscal year]

H. Doc. No.	Department or agency	Amount of budget estimate	Amount recommended in the bill	Increase (+) or decrease (—), bill compared with budget estimate
	GENERAL APPROPRIATIONS—Continued			
	DEPARTMENT OF AGRICULTURE			
	SUGAR RATIONING ADMINISTRATION			
279	Salaries and expenses, 1947	(1)	(1)	-----
	DEPARTMENT OF JUSTICE			
	LEGAL ACTIVITIES AND GENERAL ADMINISTRATION			
227	Traveling expenses, 1942	\$14. 04	\$14. 04	-----
227 297	Salaries and expenses, Lands Division, 1942	137. 70	137. 70	-----
297	Examination of judicial offices, 1947	(2)	(2)	-----
227	Printing and binding, 1946	65, 000. 00	65, 000. 00	-----
227	Miscellaneous salaries and expenses, field, 1946	20, 000. 00	20, 000. 00	-----
227	Salaries and expenses of marshals, and so forth, 1946	10, 000. 00	10, 000. 00	-----
227	Contingent expenses, 1947	10, 000. 00	10, 000. 00	-----

227	Printing and binding, 1947-----	80,000.00	80,000.00	-----
227	Miscellaneous salaries and expenses, field, 1947-----	29,500.00	29,500.00	-----
227	Salaries and expenses of marshals, and so forth, 1947-----	140,000.00	140,000.00	-----
227	Fees of witnesses-----	(³)	(³)	-----
	Total, legal activities and general administration-----	354,651.74	354,651.74	-----
	IMMIGRATION AND NATURALIZATION SERVICE			
	Salaries and expenses, 1947-----	400,000.00	400,000.00	-----
	Total, Department of Justice-----	754,651.74	754,651.74	-----
	POST OFFICE DEPARTMENT			
	(Out of the postal revenues)			
	FIELD SERVICE, Post Office Department			
	OFFICE OF THE SECOND ASSISTANT POSTMASTER GENERAL			
243	Foreign air-mail transportation, 1945-----	3,919,000.00	3,919,000.00	-----
243	Foreign air-mail transportation, 1946-----	8,196,000.00	8,196,000.00	-----
243	Foreign air-mail transportation, 1947-----	⁴ 15,285,000.00	⁴ 15,285,000.00	-----
	Total, Post Office Department-----	27,400,000.00	27,400,000.00	-----

¹ Not to exceed \$415,000 transfer from funds provided in sec. 3 (c) of the Sugar Control Extension Act of 1947.

² Transfer of \$5,000 from "Traveling expenses, Department of Justice," 1947.

³ Increase in limitation from \$25,000 to \$50,000.

⁴ Additional amount of \$5,977,000 to be transferred from "Domestic air mail service," \$5,972,000, and "Electric-car service," \$5,000.

SECOND URGENT DEFICIENCY APPROPRIATION BILL, 1947—Continued

Comparative statement of the amounts of the budget estimates and of the amounts recommended to be appropriated by the bill—Continued

[The year indicated after each item denotes the fiscal year]

H. Doc. No.	Department or agency	Amount of budget estimate	Amount recommended in the bill	Increase (+) or decrease (-), bill compared with budget estimate
	TREASURY DEPARTMENT			
	OFFICE OF THE SECRETARY			
226	Penalty-mail costs, 1947-----	\$450, 000. 00	\$225, 000. 00	—\$225, 000. 00
	FISCAL SERVICE			
286	Emergency relief, liquidation fund-----	(⁵)	(⁵)	-----
	BUREAU OF INTERNAL REVENUE			
286	Salaries and expenses, 1947-----	(⁵)	(⁵)	-----
	SECRET SERVICE DIVISION			
226	Reimbursement to District of Columbia, benefit payments to White House Police and Secret Service forces, 1947-----	16, 000. 00	16, 000. 00	-----
	Total, Treasury Department-----	466, 000. 00 ⁶	241, 000. 00	—225, 000. 00
	Total, general appropriations-----	60, 278, 757. 87	58, 856, 257. 87	—1, 422, 500. 00

⁵ Title II of the Urgent Deficiency Appropriation Act, 1947 (Public Law 20) is amended by deleting the figures "\$1,280,000" following the words "Bureau of Accounts"; "Emergency relief, liquidation fund," and inserting in lieu thereof the figures "\$1,243,555.94."

⁶ Amount which may be expended for printing and binding, 1947, is hereby increased from \$2,200,000 to \$2,390,000.

Union Calendar No. 278

80TH CONGRESS
1ST SESSION

H. R. 3791

[Report No. 557]

IN THE HOUSE OF REPRESENTATIVES

JUNE 11, 1947

Mr. TABER, from the Committee on Appropriations, reported the following bill; which was committed to the Committee of the Whole House on the State of the Union and ordered to be printed

A BILL

Making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1947, and for other purposes.

- 1 *Be it enacted by the Senate and House of Representa-*
- 2 *tives of the United States of America in Congress assembled,*
- 3 That the following sums are appropriated, out of any money
- 4 in the Treasury not otherwise appropriated, to supply urgent
- 5 deficiencies in certain appropriations for the fiscal year
- 6 ending June 30, 1947, and for other purposes, namely:

1 LEGISLATIVE BRANCH

2 HOUSE OF REPRESENTATIVES

3 For payment to Marcia Marie Bradley, widow of Fred
4 Bradley, late a Representative from the State of Michigan,
5 \$12,500.

6 CONTINGENT EXPENSES OF THE HOUSE

7 Special and select committees: For an additional
8 amount, fiscal year 1947, for "Special and select commit-
9 tees", \$50,000.

10 Telegraph and telephone: For an additional amount,
11 fiscal year 1947, for "Telegraph and telephone", \$15,000.

12 GOVERNMENT PRINTING OFFICE

13 WORKING CAPITAL AND CONGRESSIONAL PRINTING AND
14 BINDING

15 For an additional amount for "Working capital and con-
16 gressional printing and binding", fiscal year 1947, \$1,175,-
17 000: *Provided*, That the limitation upon the amount which
18 may be expended for printing, binding, and distribution of
19 the Federal Register is hereby increased from "\$500,000"
20 to "\$525,000" and the limitation upon the amount which
21 may be expended for printing and binding the supplements
22 to the Code of Federal Regulations is hereby increased from
23 "\$100,000" to "\$125,000".

1 OFFICE OF SUPERINTENDENT OF DOCUMENTS

2 Salaries: For an additional amount, fiscal year 1947,
3 for "Salaries", \$21,500.

4 THE JUDICIARY

5 COURT OF CUSTOMS AND PATENT APPEALS

6 Printing and binding: For an additional amount, fiscal
7 year 1946, for "Printing and binding", \$1,074.07.

8 MISCELLANEOUS ITEMS OF EXPENSE

9 Printing and binding: For an additional amount, fiscal
10 year 1946, for "Printing and binding", \$7,050.

11 Fees of jurors: For an additional amount, fiscal year
12 1947, for "Fees of jurors", \$30,000.

13 Printing and binding: For an additional amount, fiscal
14 year 1947, for "Printing and binding", \$23,700.

15 INDEPENDENT OFFICES

16 FEDERAL SECURITY AGENCY

17 BUREAU OF EMPLOYEES' COMPENSATION

18 Employees' compensation fund: For an additional
19 amount, fiscal year 1947, for "Employees' compensation
20 fund", \$500,000.

21 OFFICE OF VOCATIONAL REHABILITATION

22 Such sums as may be necessary are hereby appropriated
23 for making for the first quarter of the fiscal year 1948 pay-

1 ments to States in accordance with the Vocational Rehabili-
 2 tation Act, as amended (29 U. S. C., ch. 4) : *Provided*,
 3 That the obligations incurred and expenditures made for such
 4 purpose under the authority of this appropriation shall be
 5 charged to the appropriation therefor in the Labor-Federal
 6 Security Appropriation Act, 1948.

7 VETERANS' ADMINISTRATION

8 Administration, medical, hospital, and domiciliary serv-
 9 ices: For an additional amount, fiscal year 1947, for
 10 "Administration, medical, hospital, and domiciliary services",
 11 \$28,400,000.

12 DISTRICT OF COLUMBIA

13 COMPENSATION AND RETIREMENT FUND EXPENSES

14 Workmen's compensation, administrative expenses: For
 15 an additional amount, fiscal year 1947, for "Workmen's com-
 16 pensation, administrative expenses", \$6,000.

17 COURTS

18 United States courts: For an additional amount, fiscal
 19 year 1946, for "United States courts", \$140,510.25.

20 PUBLIC WELFARE

21 Operating expenses, institutions for the indigent: For an
 22 additional amount, fiscal year 1947, for "Operating expenses,
 23 institutions for the indigent", \$6,000.

PUBLIC WORKS

Operating expenses, Office of Superintendent of District Buildings: For an additional amount, fiscal year 1947, for "Operating expenses, Office of Superintendent of District Buildings", \$29,500.

JUDGMENTS

For the payment of final judgments, including costs rendered against the District of Columbia, as set forth in House Document Numbered 296, together with such further sums as may be necessary to pay the interest at not exceeding 4 per centum per annum on such judgments, as provided by law, from the date the same became due until the date of payment, \$2,364.89.

AUDITED CLAIMS

For the payment of the following claims, certified to be due by the accounting officers of the District of Columbia, under the appropriations listed below, the balances of which have been exhausted or carried to the surplus fund under the provisions of section 5 of the Act of June 20, 1874 (31 U. S. C. 713), being for the service of the fiscal year 1943 and prior fiscal years, as follows:

Refund of erroneous collections, District of Columbia, 1942, \$117.49;

1 Refund of erroneous collections, District of Columbia,
2 1943, \$6,211.29;

3 Street improvements, highway fund, District of Colum-
4 bia, 1942 (payable from highway fund), \$34,078.14.

5 DIVISION OF EXPENSES

6 The sums appropriated in this Act for the District of
7 Columbia shall, unless otherwise specifically provided, be
8 paid out of the general fund of the District of Columbia, as
9 defined in the District of Columbia Appropriation Act, 1947.

10 DEPARTMENT OF AGRICULTURE

11 SUGAR RATIONING ADMINISTRATION

12 Salaries and expenses: Not to exceed \$415,000 of the
13 \$898,000 transferred to the Department of Agriculture pur-
14 suant to section 3 (c) of the Sugar Control Extension Act
15 of 1947 for the payment of terminal leave, is hereby
16 merged with and made available for the fiscal year 1947
17 for the same purposes as other funds transferred to the
18 Department of Agriculture pursuant to the same authority,
19 notwithstanding the provisions to the contrary under the
20 head "Office of Temporary Controls" in the Urgent De-
21 ficiency Appropriation Act, 1947.

22 AGRICULTURAL RESEARCH ADMINISTRATION

23 REPAIR OF STORM DAMAGE, JEANERETTE, LOUISIANA

24 The limitation under the head "Agricultural Research
25 Administration, Office of the Administrator", in the 1947

1 Department of Agriculture Appropriation Act on the cost
 2 of constructing buildings shall not apply to the construction
 3 of four buildings at the New Iberia Livestock Experiment
 4 Station, Jeanerette, Louisiana, to replace buildings destroyed
 5 by windstorm.

6 BUREAU OF ANIMAL INDUSTRY

7 Diseases of animals: The limitation under this head in
 8 the Department of Agriculture Appropriation Act, 1947,
 9 on the amount which may be used for construction of a
 10 building for conducting investigations of pneumoencephalitis
 11 in poultry is hereby increased from "\$30,000" to "\$55,000"

12 DEPARTMENT OF JUSTICE

13 LEGAL ACTIVITIES AND GENERAL ADMINISTRATION

14 Traveling expenses: For an additional amount, fiscal
 15 year 1942, for "Traveling expenses", \$14.04.

16 Salaries and expenses, Lands Division: For an addi-
 17 tional amount, fiscal year 1942, for "Salaries and expenses,
 18 Lands Division", \$137.70.

19 There is hereby transferred the sum of \$5,000 from the
 20 appropriation "Traveling expenses, Department of Justice,
 21 1947", to the appropriation "Examination of judicial offices,
 22 1947".

23 Printing and binding: For an additional amount, fiscal
 24 year 1946, for "Printing and binding", \$65,000.

25 Miscellaneous salaries and expenses, field: For an addi-

1 tional amount, fiscal year 1946, for "Miscellaneous salaries
2 and expenses, field", \$20,000.

3 Salaries and expenses of marshals, and so forth: For an
4 additional amount, fiscal year 1946, for "Salaries and ex-
5 penses of marshals, and so forth", \$10,000.

6 Contingent expenses: For an additional amount, fiscal
7 year 1947, for "Contingent expenses", \$10,000.

8 Printing and binding: For an additional amount, fiscal
9 year 1947, for "Printing and binding", \$80,000.

10 Miscellaneous salaries and expenses, field: For an addi-
11 tional amount, fiscal year 1947, for "Miscellaneous salaries
12 and expenses, field", \$29,500.

13 Salaries and expenses of marshals, and so forth: For an
14 additional amount, fiscal year 1947, for "Salaries and ex-
15 penses of marshals, and so forth", \$140,000.

16 Fees of witnesses: The limitation on the amount which
17 may be expended for compensation and expenses of witnesses
18 or informants as may be authorized or approved by the
19 Attorney General, fiscal year 1947, is hereby increased from
20 "\$25,000" to "\$50,000".

21 IMMIGRATION AND NATURALIZATION SERVICE

22 Salaries and expenses, Immigration and Naturalization
23 Service: For an additional amount, fiscal year 1947, for
24 "Salaries and expenses, Immigration and Naturalization
25 Service", \$400,000.

1 POST OFFICE DEPARTMENT

2 (Out of the Postal Revenues)

3 FIELD SERVICE, POST OFFICE DEPARTMENT

4 OFFICE OF THE SECOND ASSISTANT POSTMASTER GENERAL

5 Foreign air-mail transportation: For an additional
6 amount, fiscal year 1945, for "Foreign air-mail transporta-
7 tion", \$3,919,000.

8 Foreign air-mail transportation: For an additional
9 amount, fiscal year 1946, for "Foreign air-mail transporta-
10 tion", \$8,196,000.

11 Foreign air-mail transportation: For an additional
12 amount, fiscal year 1947, for "Foreign air-mail transporta-
13 tion", \$21,262,000, of which \$5,977,000 is to be transferred
14 in the following respective amounts from the appropriations
15 "Domestic Air Mail Service", \$5,972,000, and "Electric-car
16 service", \$5,000, \$15,285,000.

17 TREASURY DEPARTMENT

18 OFFICE OF THE SECRETARY

19 Penalty-mail costs: For an additional amount, fiscal
20 year 1947, for "Penalty-mail costs", Treasury Department,
21 \$225,000.

22 FISCAL SERVICE

23 Emergency relief, liquidation fund: Title II of the
24 Urgent Deficiency Appropriation Act, 1947 (Public Law
25 20), is amended by deleting the figures "\$1,280,000" follow-

1 ing the words "Bureau of Accounts: Emergency relief,
2 liquidation fund", and inserting in lieu thereof the figures
3 "\$1,243,555.94".

4 BUREAU OF INTERNAL REVENUE

5 Salaries and expenses: The limitation under "Salaries
6 and expenses", Bureau of Internal Revenue, on the amount
7 which may be expended for printing and binding, fiscal
8 year 1947, is hereby increased from "\$2,200,000" to
9 "\$2,390,000".

10 SECRET SERVICE DIVISION

11 Reimbursement to District of Columbia, benefit pay-
12 ments to White House Police and Secret Service forces:
13 For an additional amount, fiscal year 1947, for "Reimburse-
14 ment to District of Columbia, benefit payments to White
15 House Police and Secret Service forces", \$16,000.

16 GENERAL PROVISIONS

17 SEC. 102. The appropriations and authority with respect
18 to appropriations contained in (1) any regular annual
19 appropriation Act for the fiscal year 1948, or (2) contained
20 in other than a regular annual appropriation Act for the
21 fiscal year 1948, and being for such fiscal year, or (3)
22 contained in other than a regular annual appropriation Act
23 for the fiscal year 1948, and being supplemental to an exist-
24 ing appropriation and for obligation after June 30, 1947,
25 such Acts not being laws on July 1, 1947, shall be available

1 from and including July 1, 1947, for the purposes respectively
2 provided in such appropriations and authority. All obliga-
3 tions incurred during the period between June 30, 1947,
4 and the date of enactment of such appropriation Acts as may
5 not have been enacted on or before July 1, 1947, in anticipa-
6 tion of such appropriations and authority are hereby ratified
7 and confirmed if in accordance with the terms thereof.

8 SEC. 103. When employees are separated from the serv-
9 ice during July 1947 by reason of a reduction-in-force and
10 have been given notice of such separation during the fiscal
11 year 1947, lump-sum payments for accumulated leave may
12 be charged against unobligated balances of the 1947 appro-
13 priations from which such employees were paid: *Provided*,
14 That subparagraphs (A) and (B) of paragraph (1) of
15 section 14 (a) of the Federal Employees Pay Act of 1946
16 (Public Law 390) shall not apply to such employees.

17 SEC. 104. No part of any appropriation contained in
18 this Act shall be used to pay the salary or wages of any
19 person who engages in a strike against the Government of
20 the United States or who is a member of an organization
21 of Government employees that asserts the right to strike
22 against the Government of the United States, or who advo-
23 cates, or is a member of an organization that advocates, the
24 overthrow of the Government of the United States by force
25 or violence: *Provided*, That for the purposes hereof an affi-

1 davit shall be considered prima facie evidence that the person
2 making the affidavit has not contrary to the provisions of
3 this section engaged in a strike against the Government of
4 the United States, is not a member of an organization of
5 Government employees that asserts the right to strike against
6 the Government of the United States, or that such person
7 does not advocate, and is not a member of an organization
8 that advocates, the overthrow of the Government of the
9 United States by force or violence: *Provided further*, That
10 any person who engages in a strike against the Government
11 of the United States or who is a member of an organization
12 of Government employees that asserts the right to strike
13 against the Government of the United States, or who ad-
14 vocates, or who is a member of an organization that advo-
15 cates, the overthrow of the Government of the United States
16 by force or violence and accepts employment the salary or
17 wages for which are paid from any appropriation contained
18 in this Act shall be guilty of a felony and, upon conviction,
19 shall be fined not more than \$1,000 or imprisoned for not
20 more than one year, or both: *Provided further*, That the
21 above penalty clause shall be in addition to, and not in
22 substitution for, any other provisions of existing law.

23 SEC. 105. This Act may be cited as the "Second Urgent
24 Deficiency Appropriation Act, 1947".

80TH CONGRESS
1ST SESSION

H. R. 3791

[Report No. 557]

A BILL

Making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1947, and for other purposes.

By Mr. TABER

JUNE 11, 1947

Committed to the Committee of the Whole House on
the State of the Union and ordered to be printed

DIGEST OF
CONGRESSIONAL PROCEEDINGS
OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
Division of Legislative Reports
(For Department staff only)

Issued June 13, 1947
For actions of, June 12, 1947
80th-1st, No. 111

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HIGHLIGHTS: House received conference report on wool bill; conferees agreed to House bill, except for modified import-control provision making Sec. 22 applicable to wool but preventing this from interfering with existing international agreements. House passed deficiency appropriation bill; reduced sugar item, discussed reasons for ending sugar rationing. House committee reported bill to facilitate authorization for USDA flood-control surveys. Senate committee reported on investigation of payments in lieu of taxes. Sen. Butler urged removal of remaining sugar controls.

HOUSE

1. WOOL-PRICE SUPPORTS. Received the conference report on S. 814, the wool bill (p. 7064). The modified bill is the same as passed by the House except for a change in the import-control provision. As changed, the bill would make Sec. 22 of the AAA Act applicable to wool programs under the bill provided that no action under this provision shall be in contravention of "any treaty or international agreement to which the United States is now a party."
2. SECOND URGENT DEFICIENCY APPROPRIATION BILL, 1947. Passed with amendments this bill, H.R. 3791 (pp. 7042-7). Agreed to an amendment by Rep. Taber, N.Y., to reduce the sugar item from \$415,000 to \$215,000 (pp. 7042-5). During debate on the sugar amendment there was discussion as to why sugar rationing was ended. No other amendments were agreed to affecting this Department. Agreed to an amendment by Rep. Taber to provide \$12,000,000 for emergency flood-control work by the War Department (pp. 7045-7). For provisions of the bill, see Digest 110.
3. FLOOD CONTROL. The Public Works Committee reported without amendment H.R. 3146, to authorize the Agriculture Department to make flood control examinations and surveys of watersheds concerning which the War Department is authorized to make such surveys regarding the waterways, and authorizes this Department to make supplemental flood control reports when requested by either Public Works Committee (H.Rept. 583) (p. 7065).
Passed without amendment H.R. 3792, to authorize appropriation of \$15,000,000 for emergency flood-control work by the War Department (p. 7033). See item 2 for appropriation.
4. SUGAR CONTROLS. Reps. Rich, Rayburn, and Keefe discussed the reasons for ending

sugar rationing (p. 7034).

5. REORGANIZATION. The Expenditures in the Executive Departments Committee reported without amendment H.Con. Res. 51, to disapprove the President's Reorganization Plan 3, regarding housing (H.Rep. 580) (p. 7042).

6. MARKETING AGREEMENTS. The Agriculture Committee ordered reported* H.R. 452, to amend the Marketing Agreement Act so as to permit marketing agreements and orders to operate under certain conditions when the seasonal average price is above parity, make provisions of the act applicable to any agricultural commodity, permit a requirement of compulsory inspection, authorize the levying of assessments when no regulation is in effect, and include additional commodities by a referendum vote of the majority of the producers of a commodity (p. D370).

*Copies of the bill and report will not be available until the bill is actually reported, when this Digest will include a statement to that effect.

7. PERSONNEL; RETIREMENT. The Post Office and Civil Service Committee ordered reported H.R. 1995, to amend the Civil Service Retirement Act so as to provide for return of retirement deductions to employees separated, or transferred to positions not within the purview of the act, before completing 10 years of service (p. D371).

*Copies of the bill and report will not be available until the bill is actually reported, when this Digest will include a statement to that effect.

SENATE

8. SUGAR CONTROLS. Sen. Butler, Nebr., urged removal of the remaining controls on sugar (price control and industrial allocation) by withholding funds for the administration of these controls after June 30, 1947 (pp. 7026-7).

9. PAYMENTS IN LIEU OF TAXES. The Public Lands Committee submitted a report of an investigation of contributions to local governments on account of nontaxable Federal lands located within the jurisdiction of such governments (S.Rept. 270) (p. 6995).

10. ASSISTANT SECRETARY. The Daily Digest states that the Interstate and Foreign Commerce Committee "approved S. 1421, authorizing the appointment of an additional Assistant Secretary of Commerce" (p. D368).

11. TRANSPORTATION. Continued debate on S. 110, to amend the ICC act regarding agreements between carriers (pp. 7005-29).

The Interstate and Foreign Commerce Committee reported with an amendment S. 1297, to extend the authority under title III of the Second War Powers Act for the operation of ODT until Jan. 31, 1948 (S.Rept. 264) (pp. 6995, D368).

12. FOREIGN RELIEF. The Foreign Relations Committee reported without amendment S.J. Res. 124, to enable the President to utilize the appropriations for U.S. participation in the work of UNRRA for meeting administrative expenses of Government agencies in connection with the liquidation of UNRRA (S.Rept. 266) (p. 6995).

13. VETERANS' BENEFITS; EDUCATION. The Labor and Public Welfare Committee reported without amendment S. 1392, to prescribe certain dates for the purpose of determining eligibility of veterans for vocational rehabilitation, and for education, training, guaranty of loans, and readjustment allowances under the Servicemen's Readjustment Act of 1944 (S.Rept. 268) (p. 6995).

14. GOVERNMENT COMMUNICATIONS. The Daily Digest states that the Interstate and For

the First World War he proved it on the battlefield.

But they do not like him because he is not communistic enough. He is not willing to join in their efforts to undermine and destroy America.

Last year they tried to force out the FEPC bill, which is the chief plank in the Communist platform. They finally did manage to force it through the Legislature of the State of New York, and succeeded in driving the businessmen of that State underground, so to speak. They are trying now to figure out every way in the world to operate under it, or in spite of it.

They took it to California and put it on the ballot there, and it was defeated by more than a million votes. It was defeated by a majority in every single county in California. Yet the same element that supported that measure, the same element in Hollywood that spreads communism through the moving pictures and virtually defies the Government of the United States in their efforts to undermine and destroy the morals of the youth of America defiantly attempts to keep from complying with the laws of the land, even when the Committee on Un-American Activities go there to investigate them.

The best people in California sent me a petition, which I threw across this House here for you to see. It had signed to it thousands of names, protesting against the condition in Hollywood and begging us to do something about it.

They called attention to the Communist infiltration there. Letters have poured in from the best people in California urging that something be done. We sent out investigators there. I did not go, but the chairman and another member and two of the investigators did go. Those men who are disturbed over this Communist infiltration into the moving pictures came before that committee and told a story that, when made public, is sufficient to arouse the Christian people of America from one end of the country to the other.

Yet they call us the "Un-American" Committee.

Such attacks are not going to take place on this floor unchallenged as long as I am a Member of this House. Such insulting remarks with reference to the Committee on Un-American Activities are not going unnoticed.

The members of this committee are doing everything possible to protect this country from the enemies within our gates, and we are entitled to the support of every Member of this House.

For that reason, I demanded that the gentleman's words be taken down and moved that they be stricken forever from the CONGRESSIONAL RECORD.

On that, Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the motion to strike out the objectionable words.

The motion was agreed to.

COMMITTEE ON PUBLIC LANDS

Mr. LECOMPTE. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 94 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the expenses of the investigations to be made pursuant to House Resolution 93, by the Committee on Public Lands (now comprised of the six former committees on Insular Affairs, Territories, Public Lands, Irrigation and Reclamation, Mines and Mining, and Indian Affairs), acting as a whole or by subcommittee, not to exceed \$25,000, including expenditures for the employment of stenographic and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee or subcommittee, signed by the chairman of such committee or subcommittee, and approved by the Committee on House Administration.

The resolution was agreed to.

A motion to reconsider was laid on the table.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. LECOMPTE. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. Res. 163), and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That, effective from January 3, 1947, the expenses of conducting the investigation authorized by House Resolution 318 of the Seventy-ninth Congress continued under authority of House Resolution 153 of the Eightieth Congress, incurred by the Committee on Interstate and Foreign Commerce, acting as a whole or by subcommittee, not to exceed \$25,000, including expenditures for the employment of experts and clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee or subcommittee, signed by the chairman of such committee or subcommittee, and approved by the Committee on House Administration.

SEC. 2. The official stenographers to committees may be used at all hearings held by such committee or subcommittee in the District of Columbia unless otherwise officially engaged.

The resolution was agreed to.

A motion to reconsider was laid on the table.

COMMITTEE ON THE DISTRICT OF COLUMBIA

Mr. LECOMPTE. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. Res. 228), and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the expenses of the investigation and study to be conducted pursuant to House Resolution 195, by the Committee on the District of Columbia, acting as a whole or by subcommittee, not to exceed \$15,000, including expenditures for the employment of investigators, attorneys, and clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on voucher authorized by such

committee or subcommittee, signed by the chairman of such committee or subcommittee, and approved by the Committee on House Administration.

The resolution was agreed to.

A motion to reconsider was laid on the table.

COMMITTEE ON POST OFFICE AND CIVIL SERVICE

Mr. LECOMPTE. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. Res. 177), and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the expenses of conducting the studies and investigations authorized by House Resolution 176, Eightieth Congress, incurred by the Committee on Post Office and Civil Service, acting as a whole or by subcommittee, not to exceed \$25,000, including expenditures for printing and binding, employment of such experts, and such clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by said committee and signed by the chairman of the committee, and approved by the Committee on House Administration.

SEC. 2. The official committee reporters may be used at all hearings held in the District of Columbia, if not otherwise officially engaged.

With the following committee amendment:

Page 1, line 5, strike out the words "printing and"; line 6, strike out the word "binding."

The committee amendment was agreed to.

The resolution was agreed to.

A motion to reconsider was laid on the table.

DEPARTMENT OF STATE

Mr. LECOMPTE. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. Res. 185), and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the expenses of conducting the studies and investigations with respect to the activities of the Department of State in connection with the number of its personnel and the efficiency and economy of its operations incurred by the subcommittee of the Committee on Expenditures in the Executive Departments not to exceed \$10,000, including expenditures for printing and binding, employment of such experts, special counsel, and such clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by said subcommittee and signed by the chairman of the subcommittee, and approved by the Committee on House Administration.

SEC. 2. The official committee reporters may be used at all hearings held in the District of Columbia, if not otherwise officially engaged.

With the following committee amendment:

Page 1, line 4, after the word "operations", insert the words "authorized by rule XI (1) (h)."

Line 7, strike out the words "printing and binding."

The committee amendment was agreed to.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

REVISED EDITION OF ANNOTATED CONSTITUTION OF UNITED STATES

Mr. LECOMPTE. Mr. Speaker, by direction of the Committee on House Administration, I call up Senate Joint Resolution 69, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Whereas the Annotated Constitution of the United States of America published in 1938 as Senate Document 232, Seventy-fourth Congress, has served a very useful purpose by supplying essential information in one volume and at a very reasonable price; and

Whereas Senate Document 232 is no longer available at the Government Printing Office; and

Whereas the reprinting of this document without annotations for the last 10 years is not considered appropriate: Now, therefore, be it

Resolved, etc., That the Librarian of Congress is hereby authorized and directed to have the Annotated Constitution of the United States of America, published in 1938, revised and extended to include annotations of decisions of the Supreme Court prior to January 1, 1948, construing the several provisions of the Constitution correlated under each separate provision, and to have the said revised document printed at the Government Printing Office. Three thousand copies shall be printed, of which 2,200 copies shall be for the use of the House of Representatives and 800 copies for the use of the Senate.

Sec. 2. There is hereby authorized to be appropriated for carrying out the provisions of this act, with respect to the preparation but not including printing, the sum of \$35,000, to remain available until expended.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

RELIEF OF PEARL COX

Mr. LECOMPTE. Mr. Speaker, by direction of the Committee on House Administration, I submit a privileged resolution (H. Res. 233), and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That there shall be paid out of the contingent fund of the House to Pearl Cox, wife of Milton R. Cox, late an employee of the House, an amount equal to 6 months' salary at the rate he was receiving at the time of his death, and an additional amount not to exceed \$250 toward defraying the funeral expenses of the said Milton R. Cox.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

CONFERENCE REPORT ON LABOR-MANAGEMENT RELATIONS ACT, 1947

Mr. LECOMPTE. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. Res. 245) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That there be printed 12,000 additional copies of House Report No. 510, current Congress, being the conference report on the bill (H. R. 3020) entitled "Labor-Management Relations Act, 1947," of which 1,000 copies shall be for the use of the Senate Committee on Labor and Public Welfare, 3,000 copies for the use of the House Committee on Education and Labor, 2,000 copies for the Senate document room, and 6,000 copies for the House document room.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

REORGANIZATION PLAN NO. 3

Mr. HOFFMAN, from the Committee on Expenditures in the Executive Departments, submitted the following privileged report (H. Con. Res. 51) against the adoption of Reorganization Plan No. 3, which was referred to the Union Calendar and ordered to be printed:

Resolved by the House of Representatives (the Senate concurring); That the Congress does not favor the Reorganization Plan No. 3 of May 27, 1947, transmitted to Congress by the President on the 27th day of May 1947.

SECOND DEFICIENCY APPROPRIATION BILL

Mr. TABER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3791) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1947, and for other purposes.

Pending that motion I ask unanimous consent that general debate on the bill be limited to 20 minutes, one-half to be controlled by myself and one-half by the gentleman from Missouri.

Mr. CANNON. I suggest the gentleman modify his request to read "not to exceed."

Mr. TABER. I so modify my request, Mr. Speaker.

The SPEAKER. The gentleman from New York asks unanimous consent that general debate on the bill be limited to not to exceed 20 minutes, the time to be equally divided between himself and the gentleman from Missouri [Mr. CANNON]. Is there objection?

There was no objection.

The SPEAKER. The question is on the motion.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3791) making appropriation to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1947, and for other purposes, with Mr. AUGUST H. ANDRESEN in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. The gentleman from New York [Mr. TABER] is recognized for 10 minutes.

Mr. TABER. Mr. Chairman, this bill involves a total of about \$58,000,000. The large items involved are items for the Veterans' Administration to finish out the rest of this fiscal year, about \$28,-

900,000; an item for legislative printing of \$1,196,000; an item for the Post Office Department of about \$33,000,000; and several other items of small character which are necessary for the immediate operations of the agencies of the Government.

These estimates were received only within the last 3 or 4 weeks from the Budget and this is our first opportunity to present them. They must be through in time, some of them, for the operations in the Treasury by the 16th of June. That is the reason we are bringing this bill in at this time.

There is one item with reference to sugar which I believe we can cut as a result of the action of the Agriculture Department yesterday; and there is one little clerical correction to be made in the bill.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. RICH. In reference to the rationing of sugar by the Department of Agriculture, I notice the gentleman asks for continuation of that money until the end of June but that in the report it is stated:

The committee expects to go into the matter thoroughly in connection with a pending estimate of \$5,000,000 for sugar rationing in the fiscal year 1948.

Evidently the Secretary of Agriculture has sent his representatives to the gentleman's committee to request additional appropriations.

Mr. TABER. We have pending an estimate from the budget for \$5,000,000 for next year. Even if rationing had continued we would have been able to make very substantial cuts, probably close to 50 percent, as a result of a new method of doing business. Other cuts also are in sight as a result of the reduced operations because there will be nothing left of sugar rationing from this time on except that for industrial use. Rationing of industrial sugar continues.

Mr. RICH. That is not going to require a very large force to administer, is it?

Mr. TABER. It should not, but I have not any idea what it will require.

The Secretary has announced the discharge of only 800 people as of this date, but that should be followed by a larger number as we get along.

Mr. RICH. How about the \$415,000 that is asked for?

Mr. TABER. I am proposing to cut that to \$215,000 because as I figure, the discharge of 800 employees as of this date would permit it. But we will have to pay those who have been on the roll down to the middle of June.

Mr. RICH. It seems to me that the gentleman from Indiana [Mr. HALLECK] who stated last night he would bring in this bill, to stop sugar rationing, put the Secretary of Agriculture over the sugar barrel.

Mr. SPRINGER. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Indiana.

Mr. SPRINGER. The gentleman states that the Secretary of Agriculture contemplates releasing 800 employees since sugar rationing has been taken off.

How many employees have their been in that rationing department?

Mr. TABER. I have not the figure in my head at this time. I cannot tell the gentleman the exact number involved in sugar rationing. It was up in the several thousands, but it is down now to a very moderate figure, as compared with what it was previously.

Mr. SPRINGER. As a matter of fact, if sugar rationing is taken off that will permit the reduction of a very large number of those employees, will it not?

Mr. TABER. A very large amount for this banking operation that has heretofore been indulged in.

Mr. SPRINGER. As a matter of fact, is it not possible for them to release many more than the 800 employees?

Mr. TABER. It will be as they get a little farther along.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Massachusetts.

Mrs. ROGERS of Massachusetts. Is it not true that the Congress directed the Secretary to remove the rationing the minute he felt he could?

Mr. TABER. Why, the Congress reported out a resolution to do away with household sugar rationing yesterday and the Rules Committee passed a rule for its consideration today. It would have been up for consideration today. I cannot tell the hour that the Secretary made his determination.

Mrs. ROGERS of Massachusetts. May I say that the Department in communications by telephone and otherwise indicated to me that the housewives would have plenty of sugar this summer.

Mr. TABER. We all know that sugar has been piling up on the shelves and the situation was getting to the point where the Government was going to take a big loss in sugar unless the rationing controls were taken off.

Mrs. ROGERS of Massachusetts. Does the gentleman feel it should be removed at this time for industry as well?

Mr. TABER. I do not know enough about that to know, but I think it should be by the end of the month.

Mr. Chairman, I reserve the balance of my time.

Mr. CANNON. Mr. Chairman, this is a very satisfactory report. It may be taken as a strong endorsement of the efficiency with which the various activities represented in the bill are being administered. Here is a bill which involves many items, some in the legislative branch of the Government, some in the judicial branch, and the remainder in more than half a dozen departments of the executive branch of the Government.

After exhaustive consideration by the committee, all estimates are reported to the House with recommendations for appropriation of the full amounts of the estimates. So economical has been the administration of the agencies that there is no proposal to cut any of them and so effectively have the affairs of the agencies been handled in the disbursement of their funds that no suggestion is made for retrenchment or improvement. Every item has been approved in full without reduction or criticism.

There is only one possible exception, which is not really an exception, and that is the estimate for the Veterans' Bureau. No suggestion for any readjustment of routine or service to veterans is made and no criticism of the Bureau is involved. The work of General Bradley and his staff is apparently satisfactory in every respect. The only proposal is to limit provision to the end of the fiscal year. So that is not to be taken as an exception to the rule.

There is a deduction in the amount provided for penalty mail. But, as has been amply demonstrated in the hearings on many of the supply bills, no real control is exercised over penalty mail appropriations, and such items may be considered largely as surplusage.

As a matter of fact, such items are worse than surplusage for the reason that they not only fail to effect any appreciable savings, but require additional personnel and involve the administration of additional machinery of operation, without corresponding advantage. For example, the Department of Agriculture alone expends on an average of \$200,000 annually for this purpose without convincing diminution of costs of distribution.

So, on the whole, inasmuch as no reductions or retrenchments are proposed, the report of the committee on the pending bill may be accepted as an expression of approval of the economy with which the various agencies supplied by the bill have been administered.

The CHAIRMAN. There being no further requests for time, the Clerk will read the bill for amendment.

The Clerk read as follows:

OFFICE OF VOCATIONAL REHABILITATION

Such sums as may be necessary are hereby appropriated for making for the first quarter of the fiscal year 1948 payments to States in accordance with the Vocational Rehabilitation Act, as amended (29 U. S. C., ch. 4): *Provided*, That the obligations incurred and expenditures made for such purpose under the authority of this appropriation shall be charged to the appropriation therefor in the Labor-Federal Security Appropriation Act, 1948.

Mr. SABATH. Mr. Chairman, I move to strike out the last word. I would like to propound an inquiry to the chairman of the committee. I notice there is \$500,000 appropriated for the Federal Security Agency. I would like to ask whether that is the amount that the Commission has requested or needs.

Mr. TABER. That is the amount the budget asked us for and that the representatives of the Employees' Compensation Commission asked for in full. There was no cut in that item.

The Clerk read as follows:

SUGAR RATIONING ADMINISTRATION

Salaries and expenses: Not to exceed \$415,000 of the \$898,000 transferred to the Department of Agriculture pursuant to section 3 (c) of the Sugar Control Extension Act of 1947 for the payment of terminal leave, is hereby merged with and made available for the fiscal year 1947 for the same purposes as other funds transferred to the Department of Agriculture pursuant to the same authority, notwithstanding the provisions to the contrary under the head "Office of Temporary Controls" in the Urgent Deficiency Appropriation Act, 1947.

Mr. TABER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TABER: On page 6, line 12, strike out "\$415,000" and insert "\$215,000."

Mr. TABER. Mr. Chairman, this amendment is offered pursuant to the discontinuance of household sugar rationing and the discharge of 800 people from the service.

Mr. CANNON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it is gratifying that we are able to remove the last rationing limitation imposed during the war. It has come sooner than anticipated. Due to last-minute developments which have increased the supply of sugar available for distribution in the United States, and the reduced demand on the part of consumers, it is possible to lift the last war restriction on food and provide unlimited supplies to housewives in every market in the country.

In response to the mistaken assertion that this action was taken without advance notice to the committee it is only necessary to recall the statement of the Secretary of Agriculture when he appeared before the committee on this item week before last. At that time he made the unequivocal statement, as all present will testify, that he would discontinue rationing of sugar as soon as assured of sufficient supplies to warrant it.

In response to an inquiry from the chairman of the committee, at the hearings held on June 4, Secretary Anderson said he was awaiting advice from Cuba and if reports on the Cuban situation warranted it—as he hoped—he would terminate household rationing of sugar.

His hopes were more than realized as the International Emergency Food Council increased the quota of the United States and allotted us 350,000 additional tons of sugar from the world pool. This was made possible by the increased tonnage of Cuban sugar available for export and by the announcement that 200,000 tons of sugar from Java, the disposition of which had been uncertain, would be placed on the world market.

By way of résumé, Secretary Anderson told the committee on June 4 that if conditions with which he was in touch permitted, he would lift restrictions on sugar. Conditions developed favorably and in conformity with his assurances to the committee he discontinued rationing as of last night.

Secretary Anderson added, however, at the time, in response to the question from Chairman TABER, that in any event, whether rationing was lifted or whether it was continued, the \$415,000 would still be required for the remainder of this fiscal year; that even if restrictions were lifted, it would be impossible to notify the 800 employees to be dismissed in time to get in their 30 days' notice and accumulated leave before June 30, and the full amount of the estimate would be required to liquidate.

This conclusively disposes of the suggestion that Secretary Anderson should have notified the committee so that the estimate for that purpose in the pending

bill could be rescinded. There was no occasion for the Secretary to further notify the committee and certainly no reason for his proposing reconsideration of the sum carried in the pending amendment. We must have this amount to close out the activity. If it is not appropriated in this bill it will have to be appropriated by a later bill. The amendment should be rejected.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from Pennsylvania.

Mr. RICH. Was not the Secretary before the Committee on Appropriations yesterday asking for funds for the continuation of sugar rationing?

Mr. CANNON. Certainly not. He appeared before the committee on June 4.

Mr. RICH. Here it is June 12. In the meantime the committee reported out a bill to discontinue sugar rationing, and yesterday the Committee on Rules reported out a resolution for the consideration of that bill. The majority leader last night at 4 o'clock said we would bring that bill up today. Secretary Anderson knew yesterday after 4 o'clock that by today we would pass a bill doing away with sugar rationing, so he jumped the gun.

In other words, the Republican Party rode Secretary Anderson over the sugar barrel and then he decided that he would let the housewives have the sugar for canning for their own personal consumption. So, I think the Republican Party did a good thing in causing Secretary Anderson to have such a fine idea. It certainly is good for the country.

Mr. CANNON. The gentleman's attitude is reminiscent of the son-in-law who said he had so much trouble settling the estate of his father-in-law that "sometimes he almost wished the old man hadn't died."

The gentleman from Pennsylvania and his colleagues who have criticized the Secretary, would almost rather continue rationing with all its disadvantages to the housewife, than to see the administration getting credit for it.

Secretary Anderson considered discontinuing rationing of sugar in May, but decided against it, as related in this morning's paper, because removal of rationing at that time would have placed the United States at a disadvantage in its application to the world pool for an increased quota from the Cuban crop.

He notified the committee on June 4 that he intended to lift restrictions if we got the increased quota, all this before there was any intimation that the bill H. R. 3612 would be brought on the floor today or any other time.

In accordance with assurances given the committee he acted on June 11 as soon as notified of the additional quota.

There are the facts and the dates. They speak for themselves.

Mr. KEEFE. Mr. Chairman, I do not intend to get into any gutter political discussion with my friend from Missouri, but he covers a lot of ground in the statement which he has just made to the Committee—as usual.

I attended the hearings of the Subcommittee on Deficiency Appropriations.

I was there, as was the distinguished gentleman from California [Mr. SHEPPARD] and the distinguished gentleman from New York [Mr. TABER], but the gentleman from Missouri was not there. I think we know what transpired with respect to the sugar situation when the Secretary of Agriculture was before the committee. You can look at the record of the hearings and you will not find a word in them. It was off the record because the Secretary of Agriculture insisted upon talking off the record.

But I want the Members of Congress to know, despite anything that the gentleman from Missouri may say, and I want the people of America to know that when the Secretary came before the Subcommittee on Deficiency Appropriations and asked for this urgent authorization for a transfer of funds of \$415,000 in order to carry on sugar rationing he was questioned off the record, and he did tell us off the record what his program was. That program gave us the impression that the earliest that he could conceive at that time that sugar rationing could be lifted would be June 30.

I heard every word of the testimony, and I have been trained for 30 years to listen to testimony and to remember it.

Mr. SHEPPARD. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield.

Mr. SHEPPARD. I am sure the gentleman recalls the off-the-record statement which was made by the Secretary in answer to an inquiry by the chairman of the subcommittee, the gentleman from New York [Mr. TABER], that if it was possible to accomplish that, although it was impossible on the basis of reports he had up to that time, he would do it if he could.

Mr. KEEFE. Yes; that is very true. He discussed with us the possibility of having a greater allocation out of the world pool of sugar which came to us out of the Cuban crop.

The thing about which we complain and about which I think the committee has a right to complain is not that the Secretary of Agriculture has lifted the restrictions on sugar rationing. We applauded that action. We do complain of the apparent attempt to secure political advantage by getting headlines announcing the end of sugar rationing when his action was forced by Republican action. The fact that when he knew of the interest of the members of this committee and knew that we were going to report this bill today, he failed to advise us when he was before our committee as late as 4 o'clock yesterday afternoon. He must have known he was going to take off sugar rationing last night at midnight. He did not let this committee know he was going to let go over 800 employees as a result of the action which he took last night, and allowed us to come in here and report this bill which in view of his latest action asks for a transfer of funds away beyond what is necessary. He, whom we have treated with such great kindness and respect because we all like Clinton Anderson as a former Member of this House, did not even give to the members of this Subcommittee on Deficiency an inkling

that he was going to take off this sugar rationing.

I want to say to you, I do not care what the gentleman from Missouri [Mr. CANNON] or anybody else who thinks as he does, thinks, the fact of the matter is that Mr. Anderson knew the Rules Committee had reported the bill from the Banking and Currency Committee on yesterday, that would have been before this House today, to have compelled the abolition of any further rationing of sugar. With that gun at his head he acted and took it off, and for no other reason. There is no member on this committee who had any idea there would be any lifting of sugar rationing, regardless of how we urged him, until June 30 at the very earliest date.

The record ought to show that and ought to be kept clear. Secretary Anderson hurried to remove rationing before the Republican Members forced him through passage of legislation reported out of the House Committee on Banking and Currency yesterday.

The CHAIRMAN. The time of the gentleman from Wisconsin [Mr. KEEFE] has expired.

The question is on the amendment offered by the gentleman from New York [Mr. TABER].

The amendment was agreed to.

The Clerk read as follows:

Salaries and expenses of marshals, and so forth: For an additional amount, fiscal year 1947, for "Salaries and expenses of marshals, and so forth," \$140,000.

Mr. HALLECK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, as has already been pointed out, I announced on yesterday about 4 o'clock that the measure to decontrol sugar, which had been reported by the Committee on Banking and Currency, had just been granted a rule by the Rules Committee to provide for its consideration on the floor of the House today, and that we proposed to call it up today. Subsequently, the Secretary of Agriculture himself, by Executive order, decontrolled sugar for domestic use. According to the press, he was asked as to whether or not the proposed congressional action had brought about that action on his part, and he said, "Possibly it is the other way around."

I would take that to mean that what he had done or said might have accelerated the action by the congressional committee. The fact of the matter is that the record is exactly the opposite. Mr. Anderson appeared before the Banking and Currency Committee on June 7, last Saturday, to testify upon the very decontrol bill that we proposed to call up today and it is clear that at that time he opposed the bill. In the course of his testimony he said this:

As to H. R. 3612 to terminate household rationing of sugar I might say that we find ourselves in sympathy with the purpose of the bill. We think the time is getting close when it might be done safely. We do not think the time has yet arrived. We think that because there are so many unknown factors still in the picture we are justified in waiting until we can be very sure that the supply is adequate.

Last Saturday he said the time was not here, he was against the bill.

Subsequently in his testimony he said, and I quote the Secretary of Agriculture:

So that I say while there are many indications that we are moving in the direction that this bill would propose, we do not think we are there at the present time.

Then to show what they really were thinking about—and the hearings as I have glanced through them contain many evidences of contemplation of things to be done in connection with the rationing of sugar to be long continued, the Secretary said this:

But to get to the purpose of this bill, we believe that when this present discussion or controversy over the remaining portion of the sugar crop is ended we will have available enough sugar to give the housewife, if we do not terminate domestic rationing, another 5-pound stamp, or we might have enough to give a 10-pound stamp for home-canning purposes if we felt there would be some restriction or control on the use of that stamp.

Mr. Chairman, I think from all of this it is perfectly clear that the proposed Republican action to bring about the decontrol of sugar stimulated the Secretary of Agriculture himself to issue his order of decontrol last night at midnight. So for whatever it may be worth and not to prolong the controversy but in order to keep the record straight, I think it clearly appears that had this legislation not been presented by the Committee on Banking and Currency and if the Rules Committee had not granted this rule, and if we had not declared on yesterday that we would take up today the decontrol measure, the order of decontrol would not have been issued last night.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. ARENDS. Do I understand that the testimony the gentleman has read, given by Mr. Anderson, was given on Saturday last, or just 4 days before the action he took on yesterday?

Mr. HALLECK. Yes; on June 7. That is the arithmetic of it.

Mr. JOHNSON of Indiana. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. JOHNSON of Indiana. We have heard the proposed unification bill referred to as a "shotgun wedding." I wonder if it would be proper to refer to this as a "shotgun divorce"?

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. RAYBURN. Mr. Chairman, I rise in opposition to the pro forma amendment of the gentleman from Indiana.

As I said earlier in the morning, of course, our friends expected the headlines to say tomorrow that the Republicans, in the House of Representatives at least, had given the American housewife some sugar. All this talk reminds me of when I first came here and I saw the comic strip, Mutt and Jeff in the paper one day. They were sitting down at a table and had steak before them. Mutt carved the steak and he gave Jeff the small end of it. Jeff said: "You have got no table manners at all. If I were carving the steak I would have given you the big piece and kept the little one myself." The answer was, "What are you kicking about, you got it anyhow."

The Clerk read as follows:

Foreign air-mail transportation: For an additional amount, fiscal year 1947, for "Foreign air-mail transportation," \$21,262,000, of which \$5,977,000 is to be transferred in the following respective amounts from the appropriations "Domestic Air Mail Service," \$5,972,000, and "Electric-car service," \$5,000, \$15,285,000.

Mr. TABER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TABER: On page 9, line 16, after the figures "\$5,000" strike out the comma and the figures "\$15,285,000."

Mr. TABER. Mr. Chairman, that is a clerical amendment to correct the language so that the paragraph will read better.

The amendment was agreed to.

The Clerk read as follows:

SECRET SERVICE DIVISION

Reimbursement to District of Columbia, benefit payments to White House Police and Secret Service forces: For an additional amount, fiscal year 1947, for "Reimbursement to District of Columbia, benefit payments to White House Police and Secret Service forces", \$16,000.

Mr. TABER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TABER: Page 10, after line 15, insert the following:

"WAR DEPARTMENT

"Emergency flood-control work, \$12,000,000, to be expended in accord with the provisions of the bill, H. R. 3792, Eightieth Congress, if and when such bill is enacted into law, and to remain available until June 30, 1948."

Mr. TABER. Mr. Chairman, I have offered this amendment after consultation with the other members of the subcommittee and for the purpose of carrying out the provisions of H. R. 3792 which was passed by the House this morning.

I understand that there is a terrible flood condition existing out in the entire Mississippi Valley and that it is necessary immediately to go ahead and repair and supplement the dikes, levees, and other flood-control operations out there. It is in progress now insofar as funds are available.

Mr. Chairman, at this time I yield to the gentleman from Michigan [Mr. DONDERO], chairman of that committee, so that he may tell the committee at this point just why they brought this in at the present time.

Mr. DONDERO. Mr. Chairman, this bill passed the Committee on Public Works unanimously. In years gone by the Army engineers have been granted an appropriation amounting to ten or twelve million dollars annually as an emergency fund with which to repair levees and dikes wherever an emergency should occur. That fund has been exhausted and no funds are on hand to meet a present emergency.

This year, because of heavy rains, a great emergency exists in the Mississippi Valley, the Missouri Valley, and in other river basins. It is absolutely mandatory that the engineers have funds at once to meet such emergency. Therefore, our committee—the Committee on Public Works—passed this bill unani-

mously. The House this morning very generously passed it without a single dissenting vote, and it is thought best to expedite the passage of this bill, in order that this fund might be made available, by adding it to this bill rather than wait for action by the Senate on the authorization bill passed today by the House. I hope the House will accept this amendment. Both sides have been consulted. I understand there is no objection whatever.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Pennsylvania.

Mr. RICH. I spoke to one of the members of the subcommittee this morning with reference to this bill. I agree with you that the repair work on these dikes, and so forth, should be done just as soon as possible. But now let me ask the gentleman this question: Let me point out one specific instance. In the city of Bradford, Pa., last year, in May, they had a terrible flood. This year, in April, they had floodwater 18 inches higher than it was last year; the highest the water has ever been in that town. Now, they have built up the streams, but the streams are all filled up. They did not have the necessary number of dikes that the Army engineers recommended. The stream bed is filled up. They are going to try to open that stream so that the water can get through.

Mr. DONDERO. I suggest the gentleman contact the Army engineers or consult them regarding this matter to see what can be done to alleviate the situation the gentleman has described.

Mr. RICH. Then it is the intention in this bill to do the necessary work to cure this damage that has been caused by floods and the proper elimination of the water through the stream channel in order that we might reduce these floods?

Mr. DONDERO. There is no limitation in the bill whatever. This is an emergency fund to be used at the discretion of the Army engineers. We all have great confidence in the Corps of Engineers. It is due to the emergency caused by the recent floods that have taken place as the gentleman knows, all over this country.

Mr. RICH. The gentleman means during this year?

Mr. DONDERO. During this year; that is correct.

Mr. JENKINS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Ohio.

Mr. JENKINS of Ohio. I want to compliment the gentleman and his committee for the speed and the fine sense they have manifested in handling this very serious proposition, and I want to ask just one question: The committee, as I understand, has done everything it could possibly do to make the distribution of this money absolutely fair and without any favoritism to anybody, and purely along engineering lines?

Mr. DONDERO. Exactly that, and we have great confidence in the Army engineers in their use of this money.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Pennsylvania.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. GAVIN. Mr. Chairman, I ask unanimous consent that the gentleman be permitted to proceed for four additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GAVIN. I might say that my district adjoins that of the gentleman from Pennsylvania [Mr. RICH]. I have a condition similar to that existing in the town of Bradford. In the town of Warren, with a population of 10,000, and Meadville and the immediate area, the flood conditions have caused estimated damages of \$1,500,000. All the stream requires is channeling and dredging and widening, and I sincerely hope that the Army engineers, under this bill, will give consideration to the difficulties that exist in that particular part of Pennsylvania.

Mr. DONDERO. I suggest the gentleman contact the Army engineers in regard to that.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Iowa.

Mr. JENSEN. I want to pay my compliments to the gentleman and his committee in bringing out this legislation. I also wish to thank our chairman of the Committee on Appropriations for permitting this item to go in this deficiency bill today in order to speed it up. We have a terrible flood condition in the lower reaches of the Missouri River and in most all of its tributaries. Levees have been washed out and destroyed, and, if we do not get at this matter quick, millions of acres will be out of cultivation this year. I again want to thank the committee, and I hope the amendment will pass.

Mr. SHAFER. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Michigan.

Mr. SHAFER. I think the gentleman is well aware of the situation that existed in Michigan this year as a result of the extraordinary rains in the Kalamazoo Valley.

Mr. DONDERO. Yes, I am. Some occurred in my district.

Mr. SHAFER. I have been in touch with the Army engineers, and they told me that I had to have special legislation passed for them to go into my district, to make the proper surveys, and to correct the situation as far as possible. Will this legislation take care of that? Can we expect the Army engineers to go into the Kalamazoo Valley?

Mr. DONDERO. They might, if they saw fit to do so, because there is no limitation except the provisions in the authorization bill.

Mr. SHAFER. Then by passing this legislation today it will not be necessary for me to submit individual legislation to provide for it?

Mr. DONDERO. I doubt it very much.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Iowa.

Mr. HOEVEN. I commend the gentleman and the members of his committee and the Committee on Appropriations for putting this item in the bill. It is absolutely essential that this be done on account of the situation in the Missouri Valley. Sioux City in my congressional district is classed as being in the critical area. We are very happy to know that this money is being appropriated.

Mr. ZIMMERMAN. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Missouri.

Mr. ZIMMERMAN. The Mississippi River flood, as the gentleman knows, is just about to strike the part of Missouri I live in. We are going to have a lot of water down there. I should like to know if this money you are providing is applicable to the lower Mississippi as well as the breaks in other parts of the country.

Mr. DONDERO. There is no restriction on it whatever, except as stated. They can use it wherever they thing the emergency demands in order to repair the damage done by recent floods.

Mr. ZIMMERMAN. That is on tributaries as well as the main stream?

Mr. DONDERO. That is true.

Mr. ZIMMERMAN. I compliment the gentleman on taking that step in the interest of the welfare of our country.

Mr. MUHLENBERG. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Pennsylvania.

Mr. MUHLENBERG. Is it not possible that the gentleman may have misinterpreted the wording of the act that was passed? Was that not to repair only existing levees and things of that sort? Have you not interpreted it a little broadly, therefore? I believe it is more specific.

Mr. DONDERO. The language of the bill contains the words "repair, restoration, and strengthening of levees and other flood-control works."

Mr. TABER. Or that may be threatened or destroyed by later floods.

Mr. DONDERO. The language is rather broad. It leaves it to the judgment of the Army engineers as to how best this fund may be expended.

Mr. CANNON. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, this amendment is a counterpart of provisions carried in bills enacted in the two previous Congresses. On two occasions they were considered as separate resolutions and on other occasions were carried, as in this instance, as riders on deficiency bills.

The amendment provides for repairs to existing river improvements and emergency flood control throughout the United States, but applies particularly to the upper Mississippi River, which is much in the public eye at this particular time due to unprecedented flood damage from the upper reaches of the river to St. Louis.

Beginning in southern Iowa and on down to St. Louis, practically every town situated on the river is inundated. In Hannibal, for instance, the fourth largest

city in Missouri, and in other Iowa, Illinois, and Missouri cities, streets are flooded, business is impeded, large areas are devastated, property has been destroyed, and lives have been lost.

Levees have been broken and fields are under water from Iowa down to the confluence of the Missouri and Mississippi Rivers.

The advantage of this provision is that it not merely takes care of the emergency at this particular time but preserves permanent river work which, unless supported, will result in permanent loss, and in the end will involve expenditures of many times the amount carried in the pending bill.

Mr. ZIMMERMAN. Mr. Chairman, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from Missouri.

Mr. ZIMMERMAN. The gentleman made the statement a whole ago that it applied to the upper Mississippi. The gentleman knows the flood is now past St. Louis or reaching St. Louis, and will soon pass down to the lower Mississippi. This money is available for breaks or damage that may be done on levees on the lower Mississippi as well as the other parts of the river? Is not that right?

Mr. CANNON. That is true. All sections of the river and its tributaries. In fact, it provides for emergency flood control wherever needed, throughout the United States.

Mr. ZIMMERMAN. I wanted that to be clear.

Mr. CANNON. It is especially applicable to the gentleman's section of the State where rich agricultural areas and expensive engineering projects should have protection.

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from Louisiana.

Mr. BROOKS. I commend the committee on this prompt action in handling this matter. I think it is vitally needed. I notice by the press dispatches that there have already been more than 20 deaths from floods in these areas.

May I ask the gentleman if this appropriation will be available to any tributaries of the Mississippi, too?

Mr. CANNON. It will be applicable to emergency flood control in any part of the United States. Of course, the emergency which has brought about such prompt action at this time has been precipitated by the situation on the Mississippi, where unprecedented floods are sweeping down the valley and must have early attention.

Mr. COOPER. Mr. Chairman, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from Tennessee.

Mr. COOPER. As has been indicated here, this is general in its application and under the discretion of the Army engineers to carry forward this work where it is needed?

Mr. CANNON. Yes, funds will be at the disposal of the Army engineers as heretofore. I might say in answer to the gentleman from Tennessee that the Board of Engineers advises us that funds which ordinarily are available to the Army engineers for this purpose have

now been exhausted, and unless replenished by the pending amendment will leave the corps without means to meet the routine needs of the Department—much less to take care of the emergency requirements referred to in the debate here this morning.

Mr. Chairman, I hope the amendment will be agreed to.

(Mr. DONDERO asked and was given permission to revise and extend his remarks.

Mr. TABER. Mr. Chairman, I ask unanimous consent that debate on this amendment and all amendments there-to close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. EBERHARTER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am very glad that both the legislative committee and the Committee on Appropriations have acted so promptly in this very important and vital matter of flood-control protection. It shows that the House of Representatives can act speedily in an emergency.

This matter coming up recalls to my mind the fact that at the present time the Subcommittee on the War Department Appropriations is considering the very subject of flood-control appropriations for the fiscal year 1948. I do hope that the Committee will take to heart the lesson that is here before us today on how much damage floods can do not only to the homes and farms and industry of the country but to the very lives of the people. I do hope the Subcommittee on Appropriations for the War Department having this matter under its jurisdiction will not follow a policy of false economy by trying to cut down on flood-control appropriations. If we do that, I am sure it will not be for the best interests of the country. The whole country will be aroused next year if floods reoccur and if many projects which could have been completed are not completed because the committees were too economy minded. I hope they will keep this in mind. Again I say I am glad that the committee acted expeditiously and wisely in this matter.

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I yield to the gentleman from Louisiana.

Mr. BROOKS. I am glad to hear the distinguished and very able gentleman from the great State of Pennsylvania make the remarks that he has. I think it is false economy to cut down too much on flood control and on projects of this character. We often sustain a loss over and above our expenditures when we seek to economize falsely on projects of an internal character such as this.

I can recall in 1945 when we had an all-time record flood on the Red River. We sustained damages of something like \$16,000,000 that year from the all-time record floods in that valley. We appropriated that year \$15,000,000 for emergency purposes which shows that if we could have prevented that flood we would actually have saved in wealth more than we expended for floods all over the country in that year.

Mr. EBERHARTER. I thank the gentleman for his remarks.

In my own particular area when a flood occurs the loss in payment of corporate income tax and personal income taxes far exceeds the cost of flood-control projects. So that it is false economy not to complete those projects at the earliest practicable moment.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. EBERHARTER] has expired.

All time has expired.

The question is on the amendment offered by the gentleman from New York [Mr. TABER].

The amendment was agreed to.

The Clerk read as follows:

GENERAL PROVISIONS

SEC. 102. The appropriations and authority with respect to appropriations contained in (1) any regular annual appropriation act for the fiscal year 1948, or (2) contained in other than a regular annual appropriation act for the fiscal year 1948, and being for such fiscal year, or (3) contained in other than a regular annual appropriation act for the fiscal year 1948, and being supplemental to an existing appropriation and for obligation after June 30, 1947, such acts not being laws on July 1, 1947, shall be available from and including July 1, 1947, for the purposes respectively provided in such appropriations and authority. All obligations incurred during the period between June 30, 1947, and the date of enactment of such appropriation acts as may not have been enacted on or before July 1, 1947, in anticipation of such appropriations and authority are hereby ratified and confirmed if in accordance with the terms thereof.

Mr. O'KONSKI. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the \$12,000,000 appropriation recently enacted brings to mind some experiences I have had with flood disasters in my own district during the past 4 years. I might mention that during the past 4 years five small communities in my district were practically wiped out by floods.

I want to pass on to you gentlemen who are witnessing that experience now in your various districts that you are up against a stone wall in trying to get some aid for reconstruction or rehabilitation. It brings to mind how thoroughly inadequate are our Federal funds and our Federal laws when it comes to the aid of communities that have been stricken by a disaster of any kind.

In my district the little town of Mellen, where a power dam broke loose, was practically wiped out. Even when it came to getting equipment whereby the citizens of that community could reconstruct the community and pay for it themselves, they were handicapped. In other words, they could not even get priorities in the county in which the community was located, when they offered to pay for the equipment, for bulldozers and caterpillars and such machinery as that. They could not even get the necessary priorities approved by the War Assets Administration to get the equipment that they themselves offered to pay for with their own money, to reconstruct their community.

I call attention to this fact that those of you who are having the experience now, where your communities have been washed out as a result of floods, that there is nothing in the Federal appro-

priations today to help you. For instance, if a street has been destroyed in a community, there is no Federal aid of any kind available to reconstruct that street. The only aid that is available is where there is a Federal dam involved or a Federal highway involved. Then, of course, there are Federal funds available to help in the reconstruction. But I want to point out this fact, that what we need, in my judgment, is a Federal agency set up, with an appropriation, to come to the aid and rescue of communities which have been stricken by disasters. Our laws and our appropriation bills in that respect at the present time are entirely inadequate for that purpose. I think if we can offer to reconstruct the world, we can have a provision whereby we can reconstruct our own communities that have been stricken by disaster.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. O'KONSKI. I yield.

Mr. RICH. I agree with you, that rather than spend our money by the millions and the hundreds of millions doing everything to build up some war power in some other nation, we ought to try to help our own communities. But I do not want to go quite as far as the gentleman in that respect. If everybody came to the Federal Government to get money to do everything and repair all damages caused by floods, then you would break the Nation. We do not want to do that.

The Clerk concluded the reading of the bill.

Mr. TABER. Mr. Chairman, I move that the Committee do now rise, and report the bill back to the House with sundry amendments with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. AUGUST H. ANDRESEN, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 3791) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1947, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. TABER. Mr. Speaker, I move the previous question on the bill and all amendments thereto to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the chair will put them en grosse.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RULE MAKING IN ORDER HOUSE RESOLUTION 223

Mr. RICH. Mr. Speaker, by direction of the Committee on Rules I call up House Resolution 223, providing for the consideration of the bill (H. R. 3492) to provide for the expeditious disposition of

certain war housing, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. The gentleman from Pennsylvania is recognized for 1 hour.

Mr. RICH. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. SABATH] and yield myself such time as I may use.

The SPEAKER. The gentleman from Pennsylvania is recognized.

(Mr. RICH asked and was given permission to revise and extend his remarks.)

Mr. RICH. Mr. Speaker, this rule speaks for itself. It makes in order H. R. 3492, a bill from the Committee on Banking and Currency in reference to the disposition of certain wartime housing. It is very timely in my judgment that we should sell these houses to the citizens of this country and clean up this war mess just as fast as we possibly can. Turn the cash over to the Treasury and cut down expenses. This will be explained in full by members of the Banking and Currency Committee. I am sure this will be considered welcome on the floor of the House by the membership so that we may in orderly procedure dispose of the surplus property and do what is necessary to economize in the operation of our Government. We will secure the funds from the sale of these properties and return this money to the Treasury of the United States and if we do the right thing so far as the business of the country is concerned we will turn over the money received from the sale of this surplus property to the Treasury in order that we can cut down the interest rate and make this really a good business administration. We must take the Government out of business and put more business methods in the operation of the Government.

OPPOSES HOUSING TRANSFER

Mr. SABATH. Mr. Speaker, the rule has been explained by the gentleman from Pennsylvania [Mr. RICH] so I shall not waste any time on that. The bill that this rule makes in order will transfer from the National Housing Agency the authority to dispose of approximately 166,000 housing units contained in 520 projects to the Federal Works Agency. This housing is of a permanent nature and is really in about 300 different cities of the country. The amount that it cost to construct these housing units was close to \$750,000,000. Under the bill the housing must be disposed of by December 31, 1948 and the Federal Housing Administration will be authorized to insure mortgages on such sales.

Preference is provided to veterans in buying this housing but it also allows corporations, associations and cooperatives to buy these properties containing many units and giving preference to two or three veterans who must exercise their option to buy from the private agency or agencies within 60 days, otherwise these private agencies can sell them to anyone.

WILL ENCOURAGE SPECULATION

I charge that this will enable these private agencies to speculate and will in the majority of instances deprive the veter-

ans of the opportunity of obtaining these homes. Why should authority to dispose of these properties be taken away from the National Housing Agency and transferred to the Federal Works Agency, an agency which is not set up with experienced personnel to undertake this job? The National Housing Agency has been working on the disposition of this housing for nearly 18 months, and has already sold many of these dwellings and made commitments and is now in a position to act speedily.

I feel this transfer should not be made, as I honestly believe the Federal Works Agency cannot do the job as well as the National Housing Agency because the latter has the experience and knowledge and it has had jurisdiction for all these years. Instead of economy resulting it will cost the Government large sums of money by transferring this matter to the new agency. It does not tend toward economy.

I am interested in the veterans having the opportunity to obtain these homes; but under the wording of this bill I am fearful that the real-estate manipulators will obtain possession and the veterans will find themselves out on a limb.

This is substantial permanent housing we are disposing of here. They are occupied by tenants paying the Government fair compensation.

TRIUMPH OF THE REAL ESTATE LOBBIES

This legislation, Mr. Speaker, is the final triumph of the real estate lobbies which have bitterly fought every effort of the Government to help the unfortunate people who otherwise could have no decent shelter.

We all know that the Lanham Act itself was hedged around with all sorts of limitations written in by the real estate lobby.

But that was not enough for the unending avarice and malice of this high-pressure gang which can even libel the senior Senator from Ohio without laughing. When they have everything, they still want more.

Under the terms of this bill the Federal Public Housing Authority, the agency now clothed with the authority to administer and dispose of the Government's public housing projects—including the Lanham Act wartime construction—will be stripped of its jurisdiction.

Once more, and this time by the deliberate mandate of Congress at the instigation of special privilege, and not by the accident of emergency growth, the work of years in gathering all the Government's housing activities in a single efficient agency will be undone and the property dispersed. You all remember when 19 different housing agencies existed at one time.

HAVE LOBBIES OUTDONE THEMSELVES?

Mr. Speaker, it is unthinkable that a bill so obviously weighted toward the benefit of a few, at the expense of the many, should pass in this House; that this Congress should deliberately throw away all the gains of the last 14 years; yet it probably will pass.

I can only say that when the American people learn the full shame of this surrender to private greed, their rage will be

enormous; and that knowledge will become a flaming issue just as the election campaigns of 1948 get under way, as the dead line for bids is reached in July 1948.

Do you on the Republican side think that then you can disclaim responsibility for giving away to inordinate avarice?

The true issue in many of the recent triumphs of business lobbies in Congress has been obscured by clouds of oratory and misrepresentation; by war-weariness and shortages and sheer boredom.

Here the issue is clear: Is this a government of the people, by the people, for the people; or is it a government of the people by profiteers for profiteers?

I have used the phrase, "invisible government," before to describe what is happening. Now the invisibility is wearing away. The deft hands of the real estate lobby have left highly visible fingerprints all over this bill. Why, you can almost hear their voices. It was for this and for other acts of legislative violence against the will of the people that manufacturers, wholesalers, builders, contractors, and realtors have been tapped, and tapped, and tapped again for a war chest.

BILL RAPES THE HOUSING PROGRAM

Others better informed than I, particularly the members of the Committee on Banking and Currency who signed the minority report, will explain later in more detail the full implications of this rape of the public-housing program; but I cannot resist some brief observations.

First, the legislation defies the recommendations of President Truman—and of every housing expert not bound to the lobby—that there should be a single, unified housing agency, and reverses the judgment of the late President Roosevelt and of three previous Congresses on that score. This bill scatters both administration and disposition all over the map—it gives a bit to every agency except FPHA, the one agency equipped with personnel and trained by experience to carry out the intent and mandate of the Lanham Act. The pressure boys like to have it scattered.

Administratively, on every count, the bill, if enacted, would be virtually unworkable.

This legislation pointedly ignores the existing set-up; pointedly ignores previous congressional directives; pointedly ignores the social and economic benefits of existing procedures. Its obvious intent is to discredit the public-housing program by setting up an impossible task.

The bill would waste all the work and time and effort and taxpayers' money already put into a carefully planned process of orderly and beneficial disposition.

SETS STAGE FOR NEW TEAPOT DOME

The bill repudiates provisions of the Lanham Act, and repudiates agreements already entered into with good faith on both sides based on previous congressional mandates. It presents an unconstitutional mandate which must be untangled by the courts.

But, worst of all, and most dangerous of all, it sets the stage for a new Teapot Dome scandal.

The disposition procedure set up in this bill is not only maliciously and intentionally cumbersome, but is so clearly

80TH CONGRESS
1ST SESSION

H. R. 3791

IN THE SENATE OF THE UNITED STATES

JUNE 13 (legislative day, APRIL 21), 1947

Read twice and referred to the Committee on Appropriations

AN ACT

Making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1947, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, to supply urgent
5 deficiencies in certain appropriations for the fiscal year
6 ending June 30, 1947, and for other purposes, namely:

LEGISLATIVE BRANCH

HOUSE OF REPRESENTATIVES

9 For payment to Marcia Marie Bradley, widow of Fred
10 Bradley, late a Representative from the State of Michigan,
11 \$12,500.

1 CONTINGENT EXPENSES OF THE HOUSE

2 Special and select committees: For an additional
3 amount, fiscal year 1947, for "Special and select commit-
4 tees", \$50,000.

5 Telegraph and telephone: For an additional amount,
6 fiscal year 1947, for "Telegraph and telephone", \$15,000.

7 GOVERNMENT PRINTING OFFICE

8 WORKING CAPITAL AND CONGRESSIONAL PRINTING AND
9 BINDING

10 For an additional amount for "Working capital and con-
11 gressional printing and binding", fiscal year 1947, \$1,175,-
12 000: *Provided*, That the limitation upon the amount which
13 may be expended for printing, binding, and distribution of
14 the Federal Register is hereby increased from "\$500,000"
15 to "\$525,000" and the limitation upon the amount which
16 may be expended for printing and binding the supplements
17 to the Code of Federal Regulations is hereby increased from
18 "\$100,000" to "\$125,000".

19 OFFICE OF SUPERINTENDENT OF DOCUMENTS

20 Salaries: For an additional amount, fiscal year 1947,
21 for "Salaries", \$21,500.

22 THE JUDICIARY

23 COURT OF CUSTOMS AND PATENT APPEALS

24 Printing and binding: For an additional amount, fiscal
25 year 1946, for "Printing and binding", \$1,074.07.

1 MISCELLANEOUS ITEMS OF EXPENSE

2 Printing and binding: For an additional amount, fiscal
3 year 1946, for "Printing and binding", \$7,050.

4 Fees of jurors: For an additional amount, fiscal year
5 1947, for "Fees of jurors", \$30,000.

6 Printing and binding: For an additional amount, fiscal
7 year 1947, for "Printing and binding", \$23,700.

8 INDEPENDENT OFFICES

9 FEDERAL SECURITY AGENCY

10 BUREAU OF EMPLOYEES' COMPENSATION

11 Employees' compensation fund: For an additional
12 amount, fiscal year 1947, for "Employees' compensation
13 fund", \$500,000.

14 OFFICE OF VOCATIONAL REHABILITATION

15 Such sums as may be necessary are hereby appropriated
16 for making for the first quarter of the fiscal year 1948 pay-
17 ments to States in accordance with the Vocational Rehabili-
18 tation Act, as amended (29 U. S. C., ch. 4): *Provided*,
19 That the obligations incurred and expenditures made for such
20 purpose under the authority of this appropriation shall be
21 charged to the appropriation therefor in the Labor-Federal
22 Security Appropriation Act, 1948.

23 VETERANS' ADMINISTRATION

24 Administration, medical, hospital, and domiciliary serv-
25 ices: For an additional amount, fiscal year 1947, for

1 "Administration, medical, hospital, and domiciliary services",
2 \$28,400,000.

3 DISTRICT OF COLUMBIA

4 COMPENSATION AND RETIREMENT FUND EXPENSES

5 Workmen's compensation, administrative expenses: For
6 an additional amount, fiscal year 1947, for "Workmen's com-
7 pensation, administrative expenses", \$6,000.

8 COURTS

9 United States courts: For an additional amount, fiscal
10 year 1946, for "United States courts", \$140,510.25.

11 PUBLIC WELFARE

12 Operating expenses, institutions for the indigent: For an
13 additional amount, fiscal year 1947, for "Operating expenses,
14 institutions for the indigent", \$6,000.

15 PUBLIC WORKS

16 Operating expenses, Office of Superintendent of District
17 Buildings: For an additional amount, fiscal year 1947, for
18 "Operating expenses, Office of Superintendent of District
19 Buildings", \$29,500.

20 JUDGMENTS

21 For the payment of final judgments, including costs ren-
22 dered against the District of Columbia, as set forth in House
23 Document Numbered 296, together with such further sums
24 as may be necessary to pay the interest at not exceeding
25 4 per centum per annum on such judgments, as provided by

1 law, from the date the same became due until the date of
2 payment, \$2,364.89.

3 AUDITED CLAIMS

4 For the payment of the following claims, certified to be
5 due by the accounting officers of the District of Columbia,
6 under the appropriations listed below, the balances of which
7 have been exhausted or carried to the surplus fund under the
8 provisions of section 5 of the Act of June 20, 1874 (31 U.
9 S. C. 713), being for the service of the fiscal year 1943 and
10 prior fiscal years, as follows:

11 Refund of erroneous collections, District of Columbia,
12 1942, \$117.49;

13 Refund of erroneous collections, District of Columbia,
14 1943, \$6,211.29;

15 Street improvements, highway fund, District of Colum-
16 bia, 1942 (payable from highway fund), \$34,078.14.

17 DIVISION OF EXPENSES

18 The sums appropriated in this Act for the District of
19 Columbia shall, unless otherwise specifically provided, be
20 paid out of the general fund of the District of Columbia, as
21 defined in the District of Columbia Appropriation Act, 1947.

22 DEPARTMENT OF AGRICULTURE

23 SUGAR RATIONING ADMINISTRATION

24 Salaries and expenses: Not to exceed \$215,000 of the
25 \$898,000 transferred to the Department of Agriculture pur-

1 suant to section 3 (c) of the Sugar Control Extension Act
2 of 1947 for the payment of terminal leave, is hereby
3 merged with and made available for the fiscal year 1947
4 for the same purposes as other funds transferred to the
5 Department of Agriculture pursuant to the same authority,
6 notwithstanding the provisions to the contrary under the
7 head "Office of Temporary Controls" in the Urgent De-
8 ficiency Appropriation Act, 1947.

9 AGRICULTURAL RESEARCH ADMINISTRATION

10 REPAIR OF STORM DAMAGE, JEANERETTE, LOUISIANA

11 The limitation under the head "Agricultural Research
12 Administration, Office of the Administrator", in the 1947
13 Department of Agriculture Appropriation Act on the cost
14 of constructing buildings shall not apply to the construction
15 of four buildings at the New Iberia Livestock Experiment
16 Station, Jeanerette, Louisiana, to replace buildings destroyed
17 by windstorm.

18 BUREAU OF ANIMAL INDUSTRY

19 Diseases of animals: The limitation under this head in
20 the Department of Agriculture Appropriation Act, 1947,
21 on the amount which may be used for construction of a
22 building for conducting investigations of pneumoencephalitis
23 in poultry is hereby increased from "\$30,000" to "\$55,000"

DEPARTMENT OF JUSTICE

LEGAL ACTIVITIES AND GENERAL ADMINISTRATION

Traveling expenses: For an additional amount, fiscal year 1942, for "Traveling expenses", \$14.04.

Salaries and expenses, Lands Division: For an additional amount, fiscal year 1942, for "Salaries and expenses, Lands Division", \$137.70.

There is hereby transferred the sum of \$5,000 from the appropriation "Traveling expenses, Department of Justice, 1947", to the appropriation "Examination of judicial offices, 1947".

Printing and binding: For an additional amount, fiscal year 1946, for "Printing and binding", \$65,000.

Miscellaneous salaries and expenses, field: For an additional amount, fiscal year 1946, for "Miscellaneous salaries and expenses, field", \$20,000.

Salaries and expenses of marshals, and so forth: For an additional amount, fiscal year 1946, for "Salaries and expenses of marshals, and so forth", \$10,000.

Contingent expenses: For an additional amount, fiscal year 1947, for "Contingent expenses", \$10,000.

Printing and binding: For an additional amount, fiscal year 1947, for "Printing and binding", \$80,000.

Miscellaneous salaries and expenses, field: For an addi-

1 tional amount, fiscal year 1947, for "Miscellaneous salaries
2 and expenses, field", \$29,500.

3 Salaries and expenses of marshals, and so forth: For an
4 additional amount, fiscal year 1947, for "Salaries and ex-
5 penses of marshals, and so forth", \$140,000.

6 Fees of witnesses: The limitation on the amount which
7 may be expended for compensation and expenses of witnesses
8 or informants as may be authorized or approved by the
9 Attorney General, fiscal year 1947, is hereby increased from
10 "\$25,000" to "\$50,000".

11 IMMIGRATION AND NATURALIZATION SERVICE

12 Salaries and expenses, Immigration and Naturalization
13 Service: For an additional amount, fiscal year 1947, for
14 "Salaries and expenses, Immigration and Naturalization
15 Service", \$400,000.

16 POST OFFICE DEPARTMENT

17 (Out of the Postal Revenues)

18 FIELD SERVICE, POST OFFICE DEPARTMENT

19 OFFICE OF THE SECOND ASSISTANT POSTMASTER GENERAL

20 Foreign air-mail transportation: For an additional
21 amount, fiscal year 1945, for "Foreign air-mail transporta-
22 tion", \$3,919,000.

23 Foreign air-mail transportation: For an additional
24 amount, fiscal year 1946, for "Foreign air-mail transporta-
25 tion", \$8,196,000.

1 Foreign air-mail transportation: For an additional
2 amount, fiscal year 1947, for "Foreign air-mail transporta-
3 tion", \$21,262,000, of which \$5,977,000 is to be transferred
4 in the following respective amounts from the appropriations
5 "Domestic Air Mail Service", \$5,972,000, and "Electric-car
6 service", \$5,000.

7 TREASURY DEPARTMENT

8 OFFICE OF THE SECRETARY

9 Penalty-mail costs: For an additional amount, fiscal
10 year 1947, for "Penalty-mail costs", Treasury Department,
11 \$225,000.

12 FISCAL SERVICE

13 Emergency relief, liquidation fund: Title II of the
14 Urgent Deficiency Appropriation Act, 1947 (Public Law
15 20), is amended by deleting the figures "\$1,280,000" follow-
16 ing the words "Bureau of Accounts: Emergency relief,
17 liquidation fund", and inserting in lieu thereof the figures
18 "\$1,243,555.94".

19 BUREAU OF INTERNAL REVENUE

20 Salaries and expenses: The limitation under "Salaries
21 and expenses", Bureau of Internal Revenue, on the amount
22 which may be expended for printing and binding, fiscal
23 year 1947, is hereby increased from "\$2,200,000" to
24 "\$2,390,000".

1 SECRET SERVICE DIVISION

2 Reimbursement to District of Columbia, benefit pay-
3 ments to White House Police and Secret Service forces:
4 For an additional amount, fiscal year 1947, for "Reimburse-
5 ment to District of Columbia, benefit payments to White
6 House Police and Secret Service forces", \$16,000.

7 WAR DEPARTMENT

8 Emergency Flood Control Work, \$12,000,000, to be
9 expended in accord with the provisions of the bill, H. R.
10 3792, Eightieth Congress, if and when such bill is enacted
11 into law, and to remain available until June 30, 1948.

12 GENERAL PROVISIONS

13 SEC. 102. The appropriations and authority with respect
14 to appropriations contained in (1) any regular annual
15 appropriation Act for the fiscal year 1948, or (2) contained
16 in other than a regular annual appropriation Act for the
17 fiscal year 1948, and being for such fiscal year, or (3)
18 contained in other than a regular annual appropriation Act
19 for the fiscal year 1948, and being supplemental to an exist-
20 ing appropriation and for obligation after June 30, 1947,
21 such Acts not being laws on July 1, 1947, shall be available
22 from and including July 1, 1947, for the purposes respectively
23 provided in such appropriations and authority. All obliga-
24 tions incurred during the period between June 30, 1947,
25 and the date of enactment of such appropriation Acts as may

1 not have been enacted on or before July 1, 1947, in anticipa-
2 tion of such appropriations and authority are hereby ratified
3 and confirmed if in accordance with the terms thereof.

4 SEC. 103. When employees are separated from the serv-
5 ice during July 1947 by reason of a reduction-in-force and
6 have been given notice of such separation during the fiscal
7 year 1947, lump-sum payments for accumulated leave may
8 be charged against unobligated balances of the 1947 appro-
9 priations from which such employees were paid: *Provided*,
10 That subparagraphs (A) and (B) of paragraph (1) of
11 section 14 (a) of the Federal Employees Pay Act of 1946
12 (Public Law 390) shall not apply to such employees.

13 SEC. 104. No part of any appropriation contained in
14 this Act shall be used to pay the salary or wages of any
15 person who engages in a strike against the Government of
16 the United States or who is a member of an organization
17 of Government employees that asserts the right to strike
18 against the Government of the United States, or who advo-
19 cates, or is a member of an organization that advocates, the
20 overthrow of the Government of the United States by force
21 or violence: *Provided*, That for the purposes hereof an affi-
22 davit shall be considered prima facie evidence that the person
23 making the affidavit has not contrary to the provisions of
24 this section engaged in a strike against the Government of
25 the United States, is not a member of an organization of

1 Government employees that asserts the right to strike against
2 the Government of the United States, or that such person
3 does not advocate, and is not a member of an organization
4 that advocates, the overthrow of the Government of the
5 United States by force or violence: *Provided further*, That
6 any person who engages in a strike against the Government
7 of the United States or who is a member of an organization
8 of Government employees that asserts the right to strike
9 against the Government of the United States, or who ad-
10 vocates, or who is a member of an organization that advo-
11 cates, the overthrow of the Government of the United States
12 by force or violence and accepts employment the salary or
13 wages for which are paid from any appropriation contained
14 in this Act shall be guilty of a felony and, upon conviction,
15 shall be fined not more than \$1,000 or imprisoned for not
16 more than one year, or both: *Provided further*, That the
17 above penalty clause shall be in addition to, and not in
18 substitution for, any other provisions of existing law.

19 SEC. 105. This Act may be cited as the "Second Urgent
20 Deficiency Appropriation Act, 1947".

Passed the House of Representatives June 12, 1947.

Attest:

JOHN ANDREWS,

Clerk.

AN ACT

Making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1947, and for other purposes.

JUNE 13 (legislative day, APRIL 21), 1947
Read twice and referred to the Committee on
Appropriations

SENATE HEARINGS ON SECOND URGENT DEFICIENCY
APPROPRIATION BILL, 1947 (H.R. 3791):

Secretary Anderson explains progress and need
for continuation of the cooperative program for
eradication of foot-and-mouth disease in
Mexico (pp. 3-12).

Sugar Rationing Administration (pp. 2-3).

SECOND URGENT DEFICIENCY APPROPRIATION BILL FOR 1947

HEARINGS

BEFORE THE

SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS UNITED STATES SENATE

EIGHTIETH CONGRESS

FIRST SESSION

ON

H. R. 3791

AN ACT MAKING APPROPRIATIONS TO SUPPLY
URGENT DEFICIENCIES IN CERTAIN APPRO-
PRIATIONS FOR THE FISCAL YEAR
ENDING JUNE 30, 1947, AND
FOR OTHER PURPOSES

Printed for the use of the Committee on Appropriations



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SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS

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JOHN H. OVERTON, Louisiana

EVERARD H. SMITH, *Clerk*

SECOND URGENT DEFICIENCY APPROPRIATION BILL, 1947

THURSDAY, JUNE 19, 1947

UNITED STATES SENATE,
COMMITTEE ON APPROPRIATIONS,
Washington, D. C.

The committee met at 10 a. m., pursuant to call, in the Appropriations Committee room, the Capitol, Senator Styles Bridges, chairman, presiding.

Present: Senators Bridges, Young, Knowland, and McKellar.

Chairman BRIDGES. The committee will please come to order.

WAR DEPARTMENT

CORPS OF ENGINEERS

STATEMENT OF HON. WILLIAM F. KNOWLAND, A UNITED STATES SENATOR FROM THE STATE OF CALIFORNIA

AMENDMENT FOR RELIEF OF FLOOD CONDITIONS AT SURFSIDE, CALIF.

I believe Senator Knowland has an amendment to offer here which the committee would be delighted to hear.

Senator KNOWLAND. Mr. Chairman, this is an amendment which will furnish some relief for flood conditions at Surfside in Orange County. The conditions grow out of the building by the Navy during the war of a break wall at Anaheim Harbor. I have a report here of the preliminary examination of the harbor by the Army engineers, just a very brief statement, which I want to read.

EROSION CAUSED BY HARBOR IMPROVEMENTS

The district engineer finds that erosion of the Orange County shore line between Seal Beach and Huntington Beach, Calif., has been caused largely by harbor-improvement works to the west of Orange County, and that serious beach erosion down-coast from the entrance to the harbor at Anaheim Bay has occurred since the harbor jetties were completed in 1944. A stone revetment extending 930 feet down-coast from the root of the east jetty has protected the property now being used by the United States Department, but, in doing so, has shifted the focus of wave erosion to a privately owned area immediately down-coast of the protected area where the shore line has receded to the base of a bulkhead protecting a part of surfside colony.

He finds that failure or flanking of this bulkhead is eminent, and that without adequate protection, the destruction of valuable property will ensue and a public beach farther down-coast will be endangered.

The district engineer concludes that further investigations are warranted at this time and that a satisfactory and economically justified plan of improvement probably can be developed for restoration of the beach eroding area. He recommends a survey of the area at Federal expense to determine the economic aspects of the plan and to determine the requirements for local cooperation.

I have some pictures here, Mr. Chairman, showing the general area and showing the flood conditions which exist as a result of the Navy construction of the jetty and the people living in those homes, and they are losing a home every day or so down there.

Congressman Phillips, who represents that district, took up the matter with Congressman Taber, the chairman of the House Appropriations Committee, who said he believed the emergency was sufficient to justify inclusion in the bill, and he wrote out in his own handwriting a suggested amendment.

I call your attention to page 10 of the bill, line 11, and the amendment which I propose and would ask the committee to consider that it will not add any additional amount but will earmark the proportion of the amendment.

The paragraph is as follows:

The funds provided in the preceding paragraph shall be available to an amount not exceeding \$250,000 to take all action necessary to prevent erosion at Anaheim Bay, Surfside, California.

Chairman BRIDGES. Thank you very much.

Senator KNOWLAND. Mr. Chairman, I think this probably covers it. If the committee has any questions I do have the engineer of Surfside and the chairman of the board of supervisors available. I did not bring them in because I thought the committee would be busy.

Chairman BRIDGES. Thank you very much, Senator Knowland.

At this time we will hear from Secretary Anderson.

DEPARTMENT OF AGRICULTURE

STATEMENT OF HON. CLINTON P. ANDERSON, SECRETARY OF AGRICULTURE; SEYMOUR FRIEDMAN, ACTING DEPUTY ADMINISTRATOR, SUGAR RATIONING ADMINISTRATION; JAMES H. MARSHALL, DIRECTOR, SUGAR BRANCH; RALPH S. TRIGG, DEPUTY ADMINISTRATOR, PRODUCTION AND MARKETING ADMINISTRATION; B. P. SIMMS, CHIEF, BUREAU OF ANIMAL INDUSTRY; M. R. CLARKSON, CHIEF, INSPECTION AND QUARANTINE DIVISION, BUREAU OF ANIMAL INDUSTRY; S. P. O. FLADNESS, ASSISTANT CHIEF, BUREAU OF ANIMAL INDUSTRY; AND RALPH S. ROBERTS, ASSISTANT DIRECTOR OF FINANCE, UNITED STATES DEPARTMENT OF AGRICULTURE

SUGAR RATIONING ADMINISTRATION

Chairman BRIDGES. Mr. Anderson, I have before me your letter of June 16, 1947, asking for a restoration of \$100,000 under the Sugar Control Act. It is my understanding that things worked out so that you are not asking for that?

Secretary ANDERSON. That is right. We have firm assurance from the Bureau of the Budget that \$315,000 will be available which we require as the absolute minimum for operating purposes. Under the circumstances we would like to save the time of the committee and we withdraw the request.

Chairman BRIDGES. The item in the bill will go out too.

Mr. ROBERTS. Yes, sir. It will be unnecessary to carry it in the bill.

Secretary ANDERSON. We need \$315,000 for operating expenses, and as that amount can now be made available by the Budget Bureau, the \$215,000 may be deleted.

BUREAU OF ANIMAL INDUSTRY

CONTROL AND ERADICATION OF FOOT-AND-MOUTH DISEASE AND RINDERPEST

Chairman BRIDGES. The other thing that you ask our consideration on this morning is the foot-and-mouth disease eradication campaign in Mexico and I may start this up by inserting in the record your letter of June 16, 1947.

That is not from you but from Ralph S. Trigg, Deputy Administrator of the Production and Marketing Administration.

(The letter is as follows:)

UNITED STATES DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING ADMINISTRATION,
Washington 25, D. C., June 16, 1947.

HON STYLES BRIDGESE,
Chairman, Senate Appropriations Committee.

DEAR SENATOR BRIDGES: Secretary Anderson and I have just returned from a conference with Congressman Taber relative to the need for additional funds to prevent slowing down the foot-and-mouth disease eradication campaign now under way in Mexico. At Congressman Taber's suggestion and request, I am sending you this letter.

Last week Secretary Anderson sent me to Mexico to determine the progress of the campaign and to find out if any emergency existed which would tend to retard operations. Up to the present time the campaign has moved forward with increasing momentum. However, the \$9,000,000 originally appropriated for this fiscal year is practically exhausted. Therefore it is necessary to curtail present operations unless additional funds are forthcoming for the remainder of the fiscal year 1947.

In support of the Department's request for additional funds for this campaign, I should like to point out some additional facts which I learned while in Mexico last week. There are 60,000 cattle in lowlands of the northern part of the State of Michoacan. Of this number, 20,000 head have been exposed to the disease and must be slaughtered and buried. The necessity for slaughtering these animals in the next 10 days to 2 weeks arises from the fact that the rainy season, which is now overdue, will set in at almost any time. This particular area becomes flooded, requiring that the cattle be moved to a higher country. The native people move their livestock into the higher country each year as the rainy season comes on. The movement would be south and west in the State of Michoacan and north into the State of Jalisco. Both of these States are in the quarantined area. However the livestock in these areas have not as yet to our knowledge been exposed. The State of Jalisco is perhaps the heaviest livestock-populated State in Mexico. Should these 20,000 exposed animals move, it would mean exposing thousands more and could mean 6 months to a year longer for the completion of the campaign and perhaps from \$15,000,000 to \$25,000,000 more.

In the State of Guanajuato there are 5,000 head in a similar situation that must be slaughtered and buried before the rainy season. In other words, 25,000 cattle must be disposed of immediately to prevent spread of the disease in that general area.

Last Tuesday an outbreak occurred in the State of San Luis Potosi, which is an immediate threat to the northern part of Mexico and across the border into the United States. The seriousness of this outbreak results from it being on a main highway to the north. Experience shows that the disease moves and moves rapidly along the highways and roads.

Cattle in the above-described areas are being appraised in the neighborhood of \$50 per animal. At \$50 per head, \$1,250,000 will be required to slaughter the 25,000 head of cattle. This price per head could be slightly more, plus the fact that additional funds will be required in the State of San Luis Potosi as every effort is being made to get in there immediately and prevent the spread of the

disease. Other outbreaks similar to the one in San Luis Potosi could occur at any moment. The success of the campaign in Mexico depends upon slaughtering and burying the animals immediately in any areas where a new outbreak occurs.

In view of this emergency it is respectfully requested that consideration be given to the Department's request for additional funds for this year's operation of the foot-and-mouth disease eradication campaign in Mexico.

Sincerely yours,

RALPH S. TRIGG,
Deputy Administrator.

STATEMENT GIVING LATEST INFORMATION AVAILABLE WITH REGARD TO THE
CAMPAIGN FOR THE ERADICATION OF FOOT-AND-MOUTH DISEASE IN MEXICO

During the week ending May 31, 1947, a total of 17,427 cattle were slaughtered (15,169 buried and 2,258 salvaged). This is at a rate of 900,000 cattle a year. It is expected that this rate of slaughter can be maintained or slightly bettered until the rainy season sets in early in July. This greatly accelerated rate of slaughter has been made possible by the arrival of earth-moving, automotive, and other equipment—more than 130 carloads—from the United States. This equipment is now in active daily use.

We anticipate that there will be an average of 376 Bureau employees on the job in Mexico during the fiscal year 1948. Of this number 120 are now on the job and others are arriving daily. Although the rainy season, which extends approximately from July through December, will slow down operations considerably, we plan to have the maximum striking force on the job by the end of July. The maximum effectiveness of such a force cannot be reached until the dry season arrives but by that time it is believed our forces will have reached the maximum of efficiency and the period January through June of 1948 will see the big drive of the campaign to reduce the infected areas to a minimum.

If this drive is to be successful, the spread of the disease from present infected areas must be held to a minimum. Knowing the highly contagious nature of foot-and-mouth disease, we cannot be certain that the infection can be held to approximately its presently known locations. If it is held, we believe that the greater part of the effort in the following fiscal year starting July 1, 1948 will be directed toward cleaning up the remaining centers of infection and conducting restocking operations to assure that the virus of the disease is not still alive on premises from which cattle have been taken.

The following table gives statistics as to the cattle population of Mexico:

Cattle population

	1940 census	Estimate, 1947
Republic of Mexico.....	11, 590, 964	12, 000, 000
Quarantined area:		
Zone I.....	1, 250, 000	1, 300, 000-1, 500, 000
Area other than zone I.....	3, 255, 317	3, 200, 000-3, 500, 000

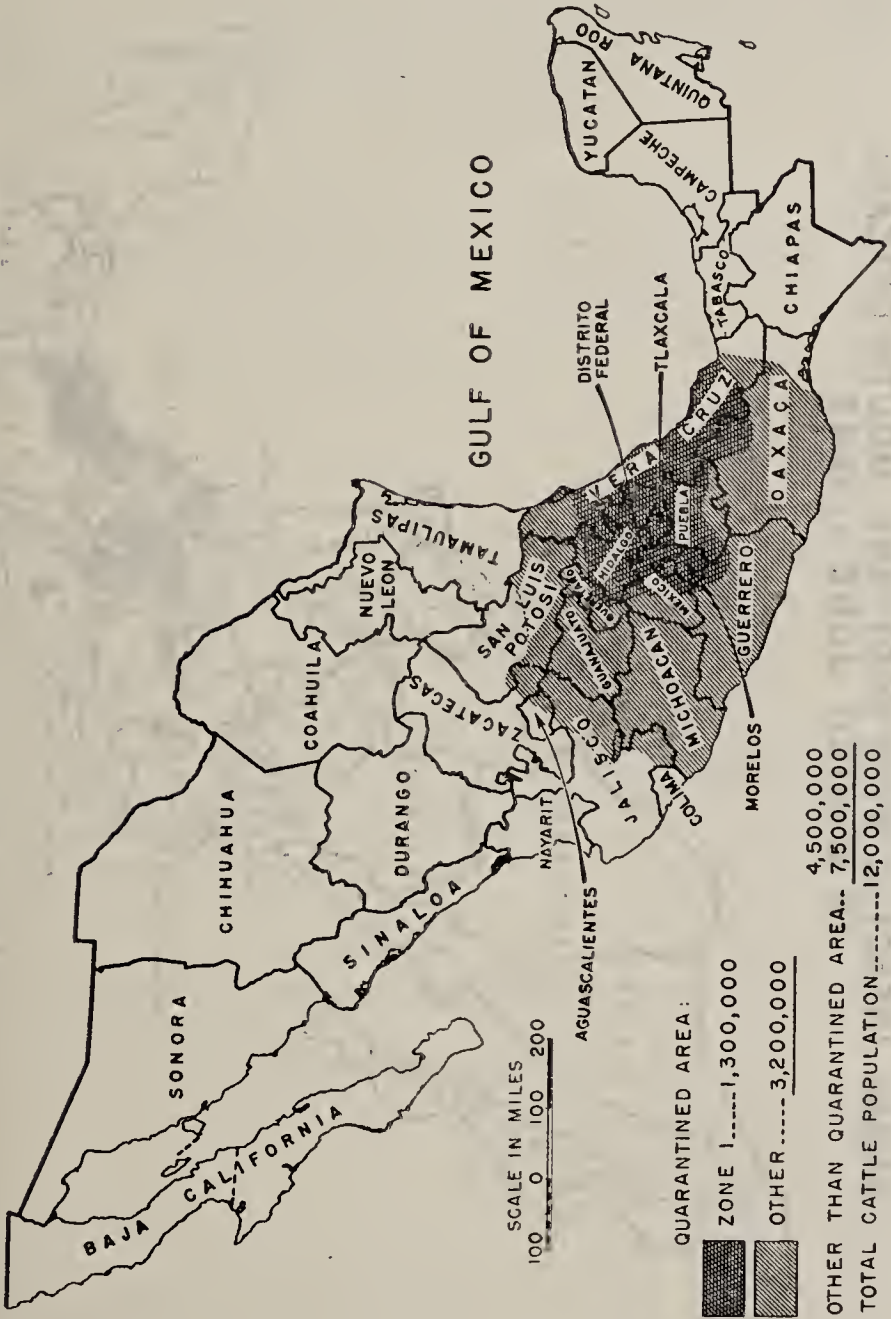
Two maps have been prepared upon the basis of a thorough review of the situation in Mexico. Map I shows the quarantined area and the number of cattle it contains. Map II shows the areas where the infection is known to exist. It will be noted by comparing the two maps that large parts of the quarantine area are apparently free from infection. It is recognized, however, that all of the uninfected area in the quarantined zone is possibly dangerous because of its contiguity to the infection.

Estimated cattle to be slaughtered

	Fiscal year 1947	Fiscal year 1948
Oxen.....	55, 744	181, 710
Cows and steers.....	47, 516	1 463, 410
Calves.....	37, 908	215, 640
Bulls.....	17, 893	39, 240
Total.....	159, 061	900, 000

¹ Includes 100,000 dairy cows.

CATTLE POPULATION OF MEXICO
(ESTIMATES BASED ON 1940 CENSUS)



OTHER THAN QUARANTINED AREA..	4,500,000
TOTAL CATTLE POPULATION.....	7,500,000
	12,000,000

The 1940 census figures indicate there are 12 percent work cattle and 6 percent dairy cattle in the entire Republic of Mexico. However, there are heavy concentrations of work cattle and dairy cattle in the quarantined area. It is estimated work cattle constitute 22 percent of the cattle in this area and dairy cattle make up 11 percent.

Present operations are being conducted in Guanajuato, Michoacan, and Queretaro in areas where there are no consequential numbers of dairy cattle. The average appraisal is approximately \$50. As operations move into the areas with heavy concentrations of dairy cattle which supply the Mexico City market, it is estimated that the average appraisal, due to the much greater value of dairy cows, will rise to approximately \$61.

Market values of cattle in Mexico are about as follows:

Mexico City market

Good dairy cows.....	\$160 to \$300 each.
Good to medium killer steers and cows.....	9 to 10 cents per pound.
Common to thin steers and cows.....	6 to 8 cents per pound.
Common cows and yearlings in poor condition....	6 cents and under per pound.
Work cattle.....	\$60 to \$100 each.

The following is a summary statement of estimated obligations for foot-and-mouth eradication work:

Estimated obligations

	Fiscal year, 1947	Fiscal year, 1948
Direct payments by United States:		
Personal services.....	\$147,720	\$2,374,699
Living and quarters allowances.....	40,210	635,950
Other expenses.....	1,812,070	1,989,351
Total.....	2,000,000	5,000,000
Payments to the Mexican-United States Commission for the Eradication of Foot-and-Mouth Disease:		
For cattle indemnities.....	9,795,000	53,560,000
United States portion of joint expenses of Commission.....	205,000	1,440,000
Total payments to Commission.....	10,000,000	55,000,000
Total for eradication of foot-and-mouth disease in Mexico.....	12,000,000	60,000,000
For enforcement of Mexican border quarantine and inspection in the field and at public stockyards in the United States.....		2,000,000
Grand total obligations.....	12,000,000	62,000,000
Less appropriation under Public Law 22.....	-9,000,000	
Total estimate.....	3,000,000	62,000,000

The classification of the United States share of estimated expenses of the Joint Commission is as follows:

Estimated United States share of expenses for Joint Commission

	Fiscal year, 1947	Fiscal year, 1948
Salaries.....	\$28,000	\$789,340
Travel.....	10,000	52,000
Communications and utility services.....	2,000	5,000
Equipment.....	19,200	32,000
Rent.....	2,886	8,660
Fixtures and improvements.....	41,114	
Supplies (principally disinfectants, gas and oil, parts for repair).....	61,800	515,000
Transportation of things.....	40,000	38,000
Total.....	205,000	1,440,000

Joint Commission employment as of June 5, 1947, was 137, all except 2 of whom are Mexican nationals. At the close of June 30 we expect to have 190 employees with monthly salaries totaling \$28,123. They are classified as follows:

Clerical.....	41
Custodial.....	20
Motor-vehicle operator-interpreters.....	62
Engineering and equipment management and operating employees.....	67
Total.....	190

In the fiscal year 1948 it is estimated that there will be 840 employees with an average annual salary of \$1,880. Their salaries would be paid from joint funds, half of the amount being contributed by the United States. They would be classified as follows:

Clerical.....	78
Custodial.....	29
Motor-vehicle operator-interpreters.....	320
Engineering and equipment management and operating employees.....	413
Total.....	840

At the close of June 5, 1947, 106 United States employees had reported for duty with the United States section, 73 being assigned to field work and 33 to duty in Mexico City. Those assigned to Mexico City were in office, general administrative, and warehouse work.

Secretary ANDERSON. May I explain how that letter happened to come from Mr. Trigg?

When it was reported to me from Mexico that that program would suffer down there very very greatly if we had to terminate prior to the end of June in our slaughtering campaign, I called Mr. Trigg immediately, who had just gone down to Mexico at my request to check for me since I would have liked to make the trip myself.

I would not say that I would not have taken the word of the Bureau of Animal Industry but I did not want to have any possibility that this could be regarded as some particular claim of the Bureau of Animal Industry because of any particular pride in a program of its own and I thought that since I was tied here I would ask Mr. Trigg, with whom I have been associated in the past, to get down there to find out what would happen to the program if we got into the rainy season.

His story checked so completely with what the Bureau of Animal Industry told me in advance that I went to Mr. Tabor and he came into his own office and it was at his own suggestion that Mr. Trigg write this letter and ask for this specific amount of money.

I suppose properly I should let Dr. Simms and others try to justify the \$3,000,000 which was originally in the bill which the House eliminated but for myself I do want to speak specifically as to the \$1,500,000 requested in this letter.

MANY THOUSANDS OF HEADS OF CATTLE INVOLVED

There are three States in which the Bureau of Animal Industry, in full cooperation with the Mexican Government, has rounded up a number of cattle and moved in a number of herds and are ready for extensive slaughtering operations. Those operations will involve some 25,000 head immediately. And for which we do not have money. If we were to stop the program the disease spreads so rapidly that we might have to spend a good deal more money. The important thing from our standpoint is that these are herds that are headed north out of the area of greatest infection. They are on the highway through

which the disease could be spread and we know that the foot-and-mouth disease spreads along highways and along avenues of communication and it is very important that these outbreaks be stamped out.

For example, one of them is in the San Luis Potosi and that is within the quarantine zone but is in an area where the State is itself divided part inside the area and part outside. It is just on the outside where we have tried to control and keep the disease.

If that outbreak should go unchecked through the rainy season it might spread badly and spread northward toward our own areas.

We are very anxious to keep the disease confined in this area. All these three areas are fringe areas and we are trying to compress it down to a smaller zone.

It seemed to me that it would be extremely unwise to face the possibility that there might be a development there and not to slaughter these cattle for which pits have been dug and we are all ready to go on with the work and where we can complete before the rainy season goes in.

AMOUNTS FOR INDEMNITIES AND EXPENSES

We estimated that we would need \$1,250,000 for actual indemnities and \$2,250,000 for actual expenses. That may be off a little but I think that would be an economy for the Government.

We have not stopped the program because we are racing against time and we hope this money might be available.

RECOGNITION OF DANGER

Chairman BRIDGES. Mr. Secretary, I think there is a general appreciation in the Congress, there certainly is on my part, of the danger of this disease and the absolute necessity of stamping out and preventing its reaching this country. The only thing bothers me particularly, and I know that I reflect the opinion of many people here, is that there are all kinds of reports of sloppiness or the loopholes of this program, particularly from the Mexican point of view.

I appreciate your sending a special representative down there because we are going to be called upon to appropriate large sums of money and I hope you will do everything that you can to observe the undertaking because, I think, we made a very liberal agreement with Mexico, perhaps too liberal. Now, the only thing we can do in spending vast amounts of our money in another country is to see that it is administered as honestly and economically as possible.

I think it is up to Congress to advise you to take all necessary steps to eliminate the possibility of waste of our money or destruction of the program.

FOUR STATES PARTICIPATING IN OBSERVATION OF PROGRAM

Secretary ANDERSON. Senator, I want to assure you that I fully subscribed with what you said.

I think it could be said that establishment of such a program in another country does require some time before there can be a complete meeting of minds on how best to proceed with the work. In order that we might make the greatest contribution to that program we

have asked the governors of the four border States to appoint special representatives to an advisory commission. Those representatives have been named.

In the case of the State of California we have Dr. Duckworth, who is a well recognized man in this field and I might almost say expert. Then, we asked the principal livestock associations to name a representative. Just yesterday we added a man from Iowa from one of the large hog associations, Mr. Hopley, who is president of the Cattle Feeders Association of Iowa, since the cattle feeders were involved in this.

If you wish, I can name you the list of members of the advisory committee, which includes people who are tremendously interested in this whole problem.

You, Mr. Chairman, are personally acquainted with Albert Mitchell of New Mexico who is a rancher. Then we have Mr. Ronstadt of Tucson, Ariz.; Elmer Broek from Wyoming and who is past president of the American National Livestock Association. Then we have Coke Stevenson, the former Governor of Texas; Horace Henning, secretary of the Cattle Growers Association, Albuquerque, N. Mex.; Mr. E. Ray Cowden, a rancher from Phoenix, Ariz., and C. E. Weymouth, president, Texas and Southwestern Cattlemen's Association, Amarillo, Tex.

These people face the first threat and their States do, and we have tried to make sure that everything we do down there, they understand and have a chance to check and work on. That committee met here in Washington and while it would have liked to do the very things that you refer to, it did recognize the difficulties of everything that we would like to do.

This particular amount of money is urgent because we do need at once to proceed with the slaughtering of these cattle.

Now, what will the future be if we have the money and could do this? Then, pretty shortly, a rainy season sets in and I understand a special committee plans to go to Mexico from the House and I think a Senate committee ought to go.

Senator YOUNG. I think Senator Bushfield asked that Senator Thye and I go with him.

Secretary ANDERSON. If those three gentlemen go I would be the happiest person that you could imagine because I know that they would look very carefully at it. It would so happen that those three Senators would represent the northern area and would counterbalance the advisory committee which we have named.

Senator YOUNG. It would be better if these members were from the Appropriations Committee but they happened to be the members of the Agricultural Committee's subcommittee on hoof-and-mouth disease.

Chairman BRIDGES. We might send a small subcommittee from the Appropriations Committee down there, perhaps, in conjunction with these men.

Senator YOUNG. I think it would be very helpful.

Chairman BRIDGES. My own impression would be that I would prefer that we would not go until toward the end of this year so that you could get started with the program and then give us a fresh report when the Congress reconvenes.

Secretary ANDERSON. That would be very acceptable to us and we would be very delighted because naturally, I want to test my judgment.

I have watched the Bureau of Animal Industry and I have watched them do things and I believe they are sound. On the other hand, we have some problems of working with another country and it is always desirable to have opinions and official support for the things we are doing and if your trip is made while there is a hiatus in the slaughtering program, it would be excellent as we would then be ready to next December or January.

Senator YOUNG. May I ask a question?

I was very much concerned about the enthusiasm and cooperation that we might get from the Mexican Government. They start out with quite a lot of enthusiasm and I am wondering if there has been any let-down. Are they as anxious to go ahead and take their full share of the work and the cooperation and the prosecution of this program?

Secretary ANDERSON. I would say that Oscar Flores, who is Under Secretary of Agriculture and interested in this program, has certainly lost none of his enthusiasm and insofar as he reflects the attitude of the Government, and I would imagine that he does, it would indicate that it is a far more serious point of view than perhaps it was in the beginning.

I would not say that their point of view was not serious in the beginning, but Oscar Flores recognizes it now and he is a livestock man and working long hours and he is cooperating with the Bureau and with Dr. Shahan who is chief in charge down there and I would say that the cooperation from the Mexican Government is better now than it has been at any time.

I would say that we can look forward to a continuation of that because President Aleman has just finished a tour of inspection of this work and endorsed it and given his official stamp of approval. That is most significant from our standpoint.

Senator YOUNG. If we are to be successful in stamping out this disease, I think that is the most important thing because otherwise we would throw away our money if the Mexican Government did not cooperate with us.

CONFINEMENT OF DISEASE

Secretary ANDERSON. We see the situation in this light. Perhaps I should let the technical people talk about this. Their first effort was to ring it around by eliminations from these fringe areas and start the program of compressing the disease within the heavily infected zone and they have prevented its spread north and south. There have been a couple of slight outbreaks like this one at San Luis Potosi. There was a small one in the State of Chiapas which was quickly handled by the Mexican Government itself. They understood what to do and they cleared it up.

Once having controlled the disease within that heavily infected area and compressed it to a smaller area, then they are in a position to deal with it vigorously at the conclusion of the rainy season.

Senator YOUNG. It would seem to me that it would take a very vigorous program.

Secretary ANDERSON. It will take that, Senator, but I feel that our group and the Mexican Government is now in the process of giving it that vigorous treatment that it does take.

DISEASE IN ARGENTINA AND BRAZIL

As you know, both in Argentina and Brazil where hoof-and-mouth disease has existed for a long time, they have gone to a stage of compressing it within an area but they have never tried to exterminate the disease within that area and, as a result it periodically has recurring outbreaks in other parts of the country.

Now, the Mexican Government apparently seems to have come to the conclusion, which our Bureau of Animal Industry have urged them to come to, namely, that if it could be once centered in an area, and I assume you have the maps that show that area, then there might be a real wholesale slaughtering of clove-footed animals and various other types of animals in that area and we hope to stamp it out. If that could work then surely the Mexican Government would be entitled to a tremendous amount of credit because that would have been one country at least that really moved in on it.

We have twice, in this country, demonstrated the ability of the American cattlemen to cooperate with the Bureau of Animal Industry in applying vigorous methods; that philosophy has not always obtained in other countries.

Here we have a country that is cooperating and I think you will see a terrific slaughtering program starting in January of next year and we will have time to complete plans carefully and I am sure we will have as a result of President Aleman's visit, the official blessing of his administration and we will have from Oscar Flores, the Under Secretary of Agriculture a most vigorous attitude.

Now, if we could have that supported on this side of the line by visits of the representatives from the Senate and the House so they could check and give us that report then I am sure that we could look forward to a successful campaign.

Chairman BRIDGES. Mr. Secretary, is there anything that Mr. Trigg would care to say about his observations that would be helpful?

Mr. TRIGG. Mr. Chairman, I would be happy to answer any questions or give you a brief picture of the situation if you wish. However, I think the Secretary summarized it very adequately and there is not much that I can add except that I would like to endorse what he said about the enthusiasm in regard to the campaign.

MEXICAN ENTHUSIASM FOR PROJECT

I arrived just after President Aleman's tour was completed and he had asked that our people go along with him and we were pleased that he had taken time to do this. I do not think I have seen an individual more enthusiastic about any program, or who worked harder on any program than Oscar Flores. As long as he stays there I am sure that they will go along 100 percent with what the Bureau of Animal Industry recommends here in the way of getting rid of this disease.

Chairman BRIDGES. I do not believe there is anything more that you need to present.

Secretary ANDERSON. Thank you, sir.

POST OFFICE DEPARTMENT

OFFICE OF THE SECOND ASSISTANT POSTMASTER GENERAL

STATEMENT OF ROBERT S. BURGESS, DEPUTY SECOND ASSISTANT POSTMASTER GENERAL IN CHARGE OF AIR POSTAL TRANSPORT; MRS. F. M. HAWKINS, ASSISTANT CHIEF AIR ACCOUNTS SECTION; A. B. STROM, COMMISSIONER OF THE BUDGET, POST OFFICE DEPARTMENT; JAMES LANDIS, CHAIRMAN, CIVIL AERONAUTICS BOARD; WARNER HORD, CHIEF, ACCOUNTING AND RETURNS DIVISION; AND HARDY MACLAY, ASSISTANT GENERAL COUNSEL, FINANCE, CIVIL AERONAUTICS BOARD

FOREIGN AIR-MAIL TRANSPORTATION, 1945, 1946, AND 1947

Chairman BRIDGES. Mr. Burgess, are you ready?

Mr. BURGESS. Yes, sir.

Chairman BRIDGES. The reason for asking you and Judge Landis and his associates to appear this morning is that some members of the Senate are disturbed about the items on page 9 in the bill under the Post Office Department and in the Office of the Second Assistant Postmaster General, particularly on foreign air-mail transportation.

APPROPRIATIONS REQUESTED

For instance, one item is for additional amounts, fiscal year 1945, for "Foreign air-mail transportation," \$3,919,000. The next item is for 1946 for \$8,196,000, and the next item is for 1947, \$21,262,000.

Mr. BURGESS. That is right.

Chairman BRIDGES. As I said, certain members of the Senate cannot understand why we are behind in 1945 and 1946 in the foreign air-mail transportation and why we should be confronted with those payments now and the reason for the justification for not only those but also the third item.

Can you explain to us?

TOKEN APPROPRIATIONS

Mr. BURGESS. I can explain all of them, 1945, 1946 and 1947.

During the war period practically all of the civilian air service was suspended except for Latin America. Upon termination of the war, the services have been resumed and extended. During this period no permanent rates have been set in some cases by the Civil Aeronautics Board; therefore we obtained from year to year token appropriations amounting to \$5,000,000 or \$6,000,000 to pay at temporary rates.

Now, the Board is in process of setting rates to cover those periods, 1945, 1946, and 1947. In each instance when we came up to the Congress to ask for this appropriation we stated that the money we were asking for was a token appropriation and did not cover the cost of the service which would be determined when rates were set by the Board.

APPROPRIATIONS, OBLIGATIONS, AND EXPENDITURES, 1945

Chairman BRIDGES. Will you give us a break-down under the 1945, 1946, and 1947 appropriations of obligations and expenditures?

Mr. BURGESS. The annual appropriation under Public Law 293 was for \$3,785,000 with estimated obligations based upon the rates which have been set and are in process of being determined by the Board amounting to \$7,704,000, leaving an estimated deficiency of \$3,919,000.

Chairman BRIDGES. How much has been paid out under that?

Mr. STROM. Approximately \$2,612,880, up to December 31, 1946.

Chairman BRIDGES. You had an appropriation of \$3,785,000 that you used up, and now you are asking us for so much more?

Mr. BURGESS. That is because we were unable to pay these in the absence of a rate set by the Board for that year.

RATES NOW BEING SET

Chairman BRIDGES. Do you now have a rate?

Mr. BURGESS. In some cases the rate has been stated and in other cases the Board is in the process of setting the rates.

Chairman BRIDGES. How do you know how much to ask for if the Board has not set the rate?

Mr. BURGESS. The Board has given us a list of what the rates would be. Probably Mr. Hord would explain that better than I can.

Chairman BRIDGES. That is the trouble. How you could arrive at \$3,919,000 when the Board has not arrived at a decision. That is the catch.

Your answer is that although the Board has not given a decision they have given you an informal list of what they will be?

Mr. BURGESS. The CAB has given us a letter stating what the rates would be and what the amount of money would be.

RATE ESTABLISHMENT PROCEDURE

Chairman BRIDGES. I think we ought to hear from Judge Landis.

Mr. LANDIS. We transmitted to the Post Office Department our estimate of what the rates would be. Now, in many instances these rates, these rate cases, have gone through their preliminary stages and other stages so that the amount of the differences between us and the carrier has been narrowed down considerably. As that narrows, naturally, the estimate that we can submit to the Post Office becomes even more accurate.

TENTATIVE DECISIONS

In fact, even since that letter was sent, we have decided some of these cases, although under the Administrative Procedure Act our decision is a tentative one and then the carrier has a chance to except to portions of that.

Chairman BRIDGES. To get this straight, when you make a decision, it is different than a decision made, we will say, when I was with the New Hampshire Public Service Commission. We put on a decision, it was final. You put out a tentative decision on which the carrier has an opportunity to appear again?

Mr. LANDIS. We do that in order to focus the points in dispute between us and the carrier. Our normal method is to put out a rule to show cause why the tentative rates should not be made permanent; that is, that it is in fact our opinion. Then the carrier argues on the basis of that rule on the points he wants to dispute.

After the oral argument, we render what the Administrative Procedure Act still calls a tentative decision but it is a decision which is still subject to rehearing although it tends by that time to become more crystallized.

Chairman BRIDGES. I do not think that up here we understood the procedure of tentative decisions like that. I think that was one of the basic misunderstandings of this thing.

Mr. LANDIS. Then we have another process and that is what we call a temporary rate. We know, for example, say the rate across the North Atlantic is going to be at least 75 cents a ton-mile. How much in excess of that, we do not know, but it will take a long time to establish a rate there. We will give the carrier a temporary rate which will enable him to collect the 75 cents which is in substance a payment on account.

Chairman BRIDGES. What has been the basic reason for the delay since 1945?

Mr. LANDIS. The basic reason was that prior to the war the operational experience of the carriers on the transoceanic airways was with flying boats. Subsequent to the war they shifted from flying boats to DC-4's and Constellations and the like, so that the operational experience before the war is just no gage and we cannot guess those costs. We have had to have experience in order to determine what the costs are.

Then again, the carriers have had their difficulties too in giving us an accurate record of those costs. I know in a number of cases we do not get the final reports of the carrier in until 6 or 7 months after the close of the year.

STATUS OF RATES FOR 1945, 1946, AND 1947

The CHAIRMAN. Then the rates for 1945 are still in the preliminary stages?

Mr. LANDIS. They are just about done. We issued Pan American's transatlantic permanent rates for 1945, I think, 2 weeks ago.

Chairman BRIDGES. Mr. Landis, when do you anticipate that you will have the rates fixed for 1945, 1946, and 1947?

Mr. LANDIS. For 1946 and 1947 it will take us a long time. We will clear up the 1945 rates apart from American Overseas which will give difficulty. But apart from that case, I think we will be through about a month from now on the 1945 rates.

Chairman BRIDGES. On the 1946 and 1947?

Mr. LANDIS. Most of them still are on a temporary rate basis. The temporary rates are now and have been set with a certain degree of accuracy; that is, we started off by a plain guess on the Pacific rate. We gave them 80 or 85 cents a ton-mile and it was not enough. It was just a token payment on account. We have revised that since until we are somewhere near what the permanent rate is so that the differences between the temporary rate and the permanent rate are not likely to be so large.

Moreover, certain questions, I think, have been settled which narrows the differences in these rate cases. Very frequently you get a problem that goes through a series of cases.

The problem in Pan American was a question as to whether or not an equipment fund—they had acquired some \$25,000,000 as a preliminary to purchase airplanes—whether that should be legitimately taken into the rate base prior to the purchase of those planes and used in service. We decided that that could not be done. That runs almost through all of the Pan American cases.

Once you settle the first, the others come easier.

TRANSFER OF 1947 UNOBLIGATED FUNDS

Chairman BRIDGES. Mr. Burgess, we are back to you.

We have a letter from the Acting Postmaster General, Mr. Donaldson, in regard to \$120,000.

Are you familiar with the letter?

Mr. BURGESS. I am.

Chairman BRIDGES. It reads as follows:

In accordance with an oral request from a representative of your committee, concerning the availability of unobligated funds as of June 30, 1947, for transfer to the appropriation "Foreign air-mail transportation" under the second urgent deficiency appropriation pending before your committee, it appears that \$120,000 will be available in the following appropriations for the fiscal year 1947.

He lists them, totaling \$120,000.

Do you concur with that statement?

Mr. BURGESS. Yes; that may be transferred to this appropriation.

Mr. STROM. Mr. Chairman, I would like to say that the letter was prepared yesterday afternoon after we consulted the bureau affected. They think, that at the current rate of expenditures, a balance of \$120,000 is available for transfer.

PROCESSING OF PAYMENTS IN DEPARTMENT

Chairman BRIDGES. Could you tell us what the procedure is in the Department with respect to processing documents for payments to carriers?

Mr. BURGESS. I brought the domestic. Some question came up about the backlog of work in payments to domestic carriers and the question was as to what our procedure is in paying the carriers.

I might explain that briefly by saying that aboard every plane which operates is a trip report which accompanies the plane from terminal to terminal. On this form, which is made up in duplicate, is shown the stations at which the plane stops, the poundage of mail on and off and at the terminating station the form balances. That is made up in triplicate, one copy, the original, coming to our Department and the duplicate is retained by the carrier from which he makes up his claim. If it is on a mileage basis, he determines how many miles are flown. If it is on a pound-mile basis, he determines the pound-mile amount, from these trip reports.

In the Department we take the original trip report and compile our own account and when the carrier submits his claim of the number of pound-miles of mail carried, we check his claim against the account which we have prepared for accuracy and send him a copy showing the deductions we have made because of failures or over-

carriages of mail or other things. Then, we prepare with the carrier's claim and our statement a certification to the General Accounting Office of the amount found to be due and from that the General Accounting Office checks our figures and the carrier's figures and the check is issued and sent to the carrier.

I might say it is rather a long process because of having to take these individual trip reports which accompany every plane and consolidate them into a statement, a consolidated statement, in order to arrive at the pound-miles or ton-miles. That consolidated statement is put on a Form 2720 which also goes to the General Accounting Office. That is just a consolidation of trips per month and an analysis of service performed.

As you know, there are a lot of irregularities in plane service. They do not always make the stops on their route. The report has to show exactly the scheduled stops and nonscheduled stops made by the plane in order to determine the pound-miles of mail carried and the airport to airport distances as set forth in the rate schedules.

MAIL LOST IN PLANE ACCIDENTS

Chairman BRIDGES. When a plane is lost and destroyed and the regular mail carried is lost, that is the end of it, but what do you do about registered mail that is lost?

Mr. BURGESS. From a crashed plane?

Chairman BRIDGES. Yes.

Mr. BURGESS. In case of registered mail, there is a hand-to-hand receipt and the receipt of the dispatching office show the destination and the registered numbers and that is turned over to the Inspection Division and the case is jacketed on each of the registers that were supposed to have been lost in order that the Department can pay the indemnity.

BACKLOG OF ACCOUNTS

Chairman BRIDGES. How much of a backlog of payments do you have?

Mr. BURGESS. We have quite a backlog sir. The last payments which have gone through, that have been certified to the General Accounting Office, were for June 1946.

Chairman BRIDGES. Is the reason for this partially because you are awaiting the rate schedule of the Civil Aeronautics Board?

Mr. BURGESS. No, sir.

Chairman BRIDGES. What is the reason?

Mr. BURGESS. One reason is because of the tremendous expansion of air service within the last few years and the lack of personnel to keep up with that expansion. On some of the routes during the war, we had only two round trips of service. And now we have 10 or 12. That increases the amount of forms and bookkeeping and auditing that is necessary to do.

The principal reason is the expansion of new routes which have been certificated, old routes which have been extended and additional flights.

ADVANCE PAYMENTS

Chairman BRIDGES. One other question, here, you make progress estimates, in other words, to keep abreast with these carriers somewhat?

Mr. BURGESS. Yes, at the end of each month we receive from the carrier a certified estimate of his earnings for the month based upon his rate. From that we make a 90 percent advance payment and the final payment is just the difference between the estimated, 90 percent, and the final amount which is determined; that is the carry-over, which as I said, those carry-overs date to last June.

VOLUME OF MAIL

Chairman BRIDGES. Do you have the figures available here or would you furnish them for the record, on the amount of mail carried by the respective carriers?

Mr. BURGESS. We can furnish that. You mean for the domestic carriers?

Chairman BRIDGES. I would like it for each of the carriers, domestic and foreign.

Mr. BURGESS. I think we can furnish that.

Chairman BRIDGES. I presume you have that?

Mr. BURGESS. Yes.

Chairman BRIDGES. You may not have it up to date but you certainly could take a year like 1946 and provide the information.

Mr. BURGESS. Yes. That would be the pound-miles of mail carried.

Chairman BRIDGES. Yes.

Mr. BURGESS. Do you want that by routes, sir?

Chairman BRIDGES. No, just the totals of the carriers.

Mr. BURGESS. Yes.

(The information is as follows:)

FOREIGN AIR MAIL TRANSPORTATION, 1946

Statement of service performed during the fiscal year

Termini	Route No.	
		<i>Pay-miles</i> ¹
New York to Montreal.....	1	\$1,735,635
Miami-Brownsville-New Orleans to east coast of South America, Central America, and West Indies.....	5	26,968,640
Balboa to Buenos Aires.....	9	4,365,262
Seattle to Fairbanks.....	20	2,401,075
Bangor to Moncton.....	21	147,777
Total pay-miles.....		35,618,389
		<i>Ton-miles</i>
Miami-Brownsville-New Orleans to east coast of South America, Central America, and West Indies (excess poundage carried).....	5	369,035
San Francisco via Honolulu to Manila and Auckland.....	14-19	361,764
New York to Europe and Africa.....	18	465,922
New York to Europe.....	24	409,483
Fort Worth-El Paso to Mexico City.....	26	44,556
New York to Europe and Africa.....	27	625,872
Service performed for Post Office by military planes.....		350,000
Total ton-miles.....		2,626,632

¹ These routes on pay-mile basis; hence no ton-mile figures computed.

(The information on domestic carriers was filed with the committee.)

SERVICE ON MILITARY PLANES

Chairman BRIDGES. There is one other item that we have here. There is an amount in the deficiency item for 1945 of \$150,000 and \$350,000 in 1946 under the head of "Service on military planes"?

Mr. BURGESS. During the war period when civilian air service was suspended we had to utilize the facilities of the Air Transport Command for the transportation of civilian mail in order to reach some countries which could not otherwise be reached. Under an Executive order the Air Transport Command was given the right to transport civilians and civilian goods.

Chairman BRIDGES. This was not payment for mail to military personnel, but was mail payment entirely separate from the Federal service?

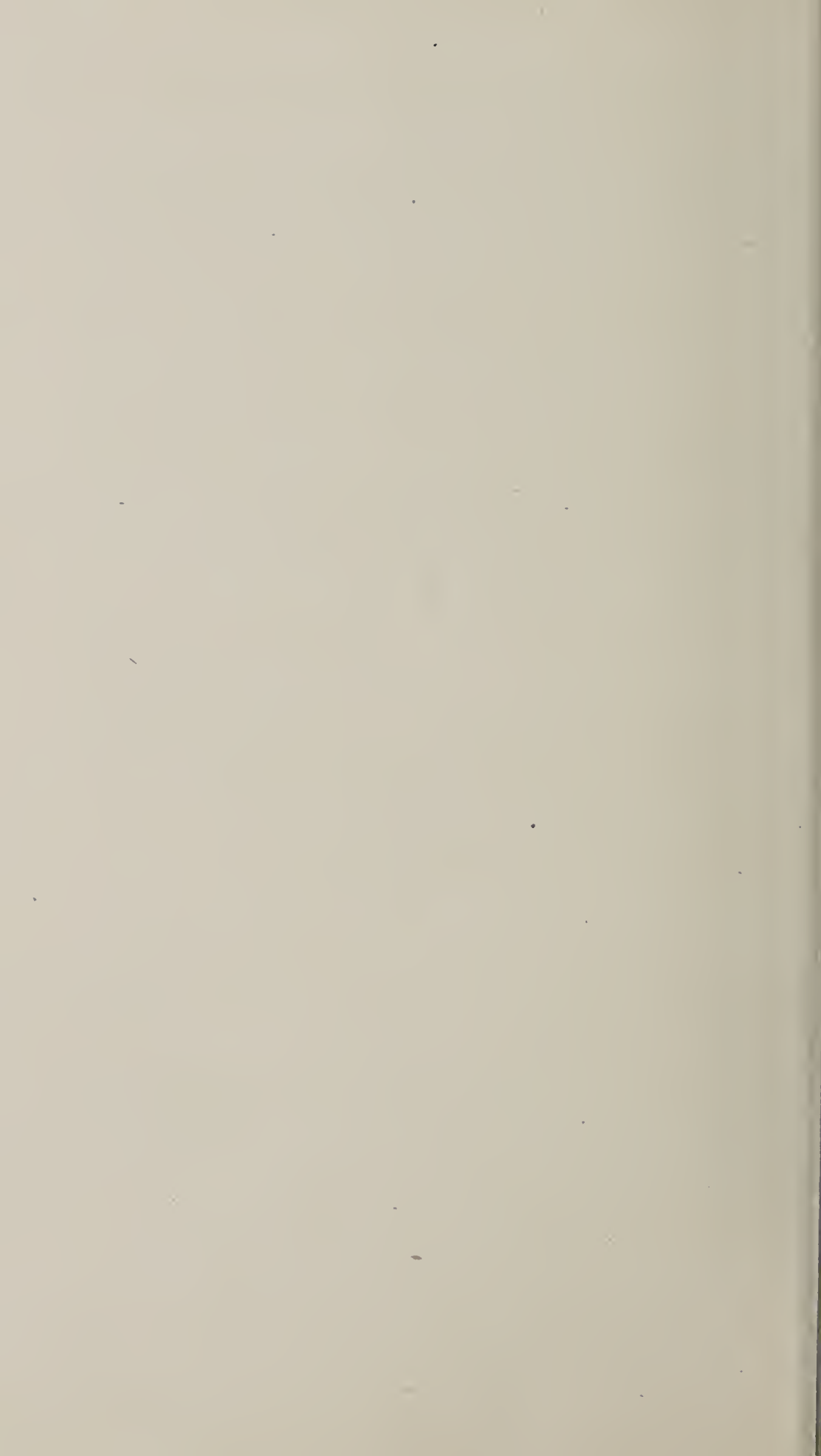
Mr. BURGESS. Yes.

Chairman BRIDGES. I think that is all. Thank you very much, gentlemen.

The committee will stand adjourned.

(Whereupon, at 11:05 a. m., June 19, 1947, the committee adjourned and the hearings were concluded.)

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DIGEST OF
CONGRESSIONAL PROCEEDINGS
OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
Division of Legislative Reports
(For Department staff only)

Issued June 23, 1947
For actions of June 20 & 21, 1947
80th-1st, Nos. 117 & 118

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HIGHLIGHTS: Senate committee reported 2nd urgent deficiency appropriation bill; added foot-and-mouth disease item of \$1,500,000; deleted provision regarding Sugar Rationing Administration. Senate committee submitted report in favor of reorganization plan on coordination of public-contracts laws enforcement. Committees reported measures for RFC continuation. Senate continued debate on President's veto of labor-management bill.

SENATE -- June 20

1. SECOND URGENT DEFICIENCY APPROPRIATION BILL, 1947. The Appropriations Committee reported with amendments this bill, H. R. 3791 (S. Rept. 319)(p. 7540).
The Committee added an item of \$1,500,000 additional, fiscal year 1947, for the foot-and-mouth disease campaign (Budget estimate, \$3,000,000). It also deleted the provision that not over \$215,000 of the \$898,000 originally earmarked for terminal leave may be used for operating expenses of the Sugar Rationing Administration for the remainder of this fiscal year (the Department recommended this deletion upon Budget Bureau advice that \$315,000 would be available for operating expenses through transfer from OTC liquidation funds).
The bill also includes, in the form as passed by the House (see Digest 110), items regarding obligations between July 1 and enactment of appropriation bills, payment of terminal leave from 1947 funds, and certain ARA buildings.
2. REORGANIZATION. The Labor and Public Welfare Committee reported adversely H. Con. Res. 49, which would disapprove the President's Reorganization Plan 2, which provides for coordination through the Labor Department of other departments' enforcement of the public-contract laws regarding wages and hours (S. Rept. 320)(p. 7540). In other words the Senate Committee is in favor of the plan.
3. APPROPRIATIONS INVESTIGATIONS. The Appropriations Committee reported with amendment S. Res. 129, authorizing this Committee, in making investigations under the Legislative Reorganization Act, to employ temporary assistants and make certain expenditures. Referred to Rules and Administration Committee. (p. 7540)
The Appropriations Committee also reported without amendment S. Res. 130, authorizing this Committee to make additional expenditures under Sec. 134 (a) of the Legislative Reorganization Act. To Rules and Administration Committee. (p. 7540.)

4. MILITARY LEAVE. The Armed Services Committee reported without amendment H. R. 1345, to amend existing laws regarding military leave for U. S. employees so as to equalize rights to leave and reemployment for such employees who are members of the Enlisted or Officers' Reserve Corps, the National Guard, or the Naval Reserve (S. Rept. 327)(p. 7540).
5. RECONSTRUCTION FINANCE CORPORATION. The Banking and Currency Committee reported an original measure, S. J. Res. 135, to continue RFC (S. Rept. 321)(p. 7540).
The Banking and Currency Committee also reported an original resolution, S. Res. 132, to direct this Committee to investigate RFC operations and report to the Senate by Mar. 1, 1948; also to authorize the Committee, with the consent of the department or agency heads concerned, to utilize the services, information, facilities, and personnel of any department or agency. To Rules and Administration Committee. (p. 7541.)
6. ACP APPROPRIATIONS. Received an Ala. Legislature memorial favoring continuation of the Agricultural Conservation Program (pp. 7539-40).
7. RURAL INDUSTRIALIZATION. Sen. Johnston, S. C., inserted and discussed a letter and articles favoring S. 1452, to aid in industrialization of underdeveloped areas (pp. 7541-2).
8. LABOR. Debated the President's veto of H. R. 3020, the labor-management bill, which the House had voted to over-ride earlier in the day (pp. 7551-600). (The June 20 issue of the Record did not include all of the Senate debate.)
During this debate: Sen. Pepper, Fla., discussed the necessity of maintaining purchasing power if large demand for citrus fruits is to continue, and Sen. Taylor, Idaho, discussed the same point in relation to citrus fruits and milk (p. 7559). Sen. Taylor, Idaho, spoke in support of the Columbia Valley Authority bill (pp. 7571-2), against the import-control provisions of the wool bill (pp. 7573-4), expressed a fear of declining farm prices (p. 7581), criticized the length of time taken by the Joint Committee on the Economic Report (p. 7581), discussed with Sen. Johnston, S. C., increases in meat prices (p. 7582, 7586).

HOUSE - June 20

9. LABOR. Received the President's veto message on H. R. 3020, the labor-management bill (H. Doc. 334)(pp. 7500-3). Voted, 331-83, to over-ride the veto (pp. 7503-4).
10. FOREIGN AFFAIRS. Continued debate on H. R. 3342, the Mundt information and educational exchange bill (pp. 7515-35). (For provisions of the bill, see Digest 109.) Agreed to an amendment by Rep. Keefe, Wis., to strike out Sec. 702 (3) and (6) regarding travel and attendance at meetings (p. 7518), and his amendment to strike out Sec. 802 authorizing acceptance of donations for the purposes of the bill (p. 7525). Reading of the bill for amendment was completed.
11. WERRA LIQUIDATION. Received from the President a proposed provision regarding an appropriation for this purpose (H. Doc. 336); to Appropriations Committee (p. 7537).
12. STATISTICS. The Post Office and Civil Service Committee reported with amendments H. R. 1821, to provide for collection and publication of statistical information by the Census Bureau (H. Rept. 618)(p. 7537).

Senate

FRIDAY, JUNE 20, 1947

(Legislative day of Monday, April 21, 1947)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. John E. Garvin, of the diocese of Bismarck, N. Dak., offered the following prayer:

Almighty and Eternal God, we adore Thee, and we promise obedience to Thy Holy Law.

We pray Thee, O God of might, of wisdom, and of justice, through whom authority is rightly administered, laws are enacted, and judgments decreed, assist, with Thy Holy Spirit of counsel and fortitude, the Members of the Senate of these United States, that their ministrations may be conducted in righteousness and be eminently useful to Thy people, whom they represent. Let the light of Thy divine wisdom direct their deliberations and shine forth in all the proceedings and laws framed for our rule and government, so that they may tend to the preservation of peace, the promotion of national happiness, the increase of industry, sobriety, and useful knowledge, and may perpetuate to us the blessings of equal liberty.

Grant to them this day the grace to work with gratitude and joy, considering it an honor to employ and develop the talents they have received from God; to work with order, peace, moderation, and patience, ever recoiling before weariness or difficulties; to work, above all, with purity of intention and with detachment from self, having always before their eyes the public good and the welfare of our country. Inspire them with Thy wisdom and strengthen them with Thy power, so that the results of their words and actions may be characterized by justice and prudence and the government of our great country may conform always to Thy holy will.

Through Christ our Lord. Amen.

THE JOURNAL

On request of Mr. WHERRY, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, June 19, 1947, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 966. An act to amend section 14 of the Veterans' Preference Act of June 27, 1944 (58 Stat. 387);

H. R. 1389. An act to amend the Veterans' Preference Act of 1944; and

H. R. 2298. A bill to amend the Interstate Commerce Act, as amended, and for other purposes.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

AMERICAN INTERNATIONAL INSTITUTE FOR THE PROTECTION OF CHILDHOOD

A letter from the Secretary of State, transmitting a draft of proposed legislation to amend the joint resolution providing for the membership of the United States in the American International Institute for the Protection of Childhood (with accompanying papers); to the Committee on Foreign Relations.

DONATIONS BY NAVY DEPARTMENT TO NON-PROFIT INSTITUTIONS AND ORGANIZATIONS

A letter from the Secretary of the Navy, reporting, pursuant to law, a list of institutions and organizations, all nonprofit and eligible, which have requested donations from the Navy Department; to the Committee on Armed Services.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The PRESIDENT pro tempore appointed Mr. LANGER and Mr. CHAVEZ members of the committee on the part of the Senate.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A joint resolution of the Legislature of the State of California; to the Committee on Finance:

"Senate Joint Resolution 23

"Joint resolution memorializing the President and the Congress of the United States in relation to the Federal income tax as it affects community-property States

"Whereas there appears to be a movement on the part of non-community-property States to secure the passage of Federal legislation which would deny to residents of California the right to file separate income-tax returns on community income or which would arbitrarily permit in every State the division of all income of one spouse with the other, without regard to the law of that State; and

"Whereas California, Arizona, Idaho, Louisiana, Nevada, New Mexico, Texas, and Washington are community-property States under the laws of which husband and wife are each

the owner of one-half of the community property; and

"Whereas by reason of such community ownership husband and wife own all community property and all community income equally, for all purposes, including the responsibility of paying taxes thereon; and

"Whereas Federal income taxes are, and ought to be, levied against the owner of income as determined by law; and

"Whereas such proposed legislation would fictitiously permit persons who are the legal owners of income to avoid payment of Federal income tax thereon; or which in community-property States would force payment of a tax on income which is not legally owned by the husband, completely disregarding the bona fide and historic property laws of California and the several States relating to property and income acquired after marriage; and

"Whereas the community-property law was in effect in the western region of the United States prior to the admission of California into the Union, and the property rights then in effect were guaranteed to the residents of California by the treaty with Mexico under which California became a part of the United States; and

"Whereas such proposed legislation would thus, by indirection, destroy the property rights of citizens of California as guaranteed by said treaty; and

"Whereas these community-property rights are in jeopardy because of pending Federal legislation: Now, therefore, be it

"Resolved by the Senate and Assembly of the State of California (jointly), That the President and the Congress of the United States are hereby respectfully memorialized and requested to take such steps as may be necessary to defeat such proposed legislation as, in part, are represented by H. R. 1759, by Mr. REEVES; amendment to H. R. 1 (Knutson bill), by Mr. BUTLER; S. 626, by Mr. CORDON; S. 649, by Mr. TYDINGS; S. 550, by Mr. LANGER; H. R. 2219, by Mr. ANGELL; H. R. 2002, by Mr. ROBERTSON.

"Resolved, That the secretary of the senate prepare and transmit copies of this resolution to the President of the United States, to the President pro tempore of the Senate, to the Speaker of the House of Representatives, and to each Senator and Member of the House of Representatives from California."

A letter in the nature of a petition from L. Graham Lehman, Washington, D. C., praying for the passage, over the President's veto, of the so-called Taft-Hartley labor bill (with an accompanying paper); ordered to lie on the table.

A resolution adopted by the members of the fourth division of the American Legion, Department of Texas, in convention assembled at Temple, Tex., June 8, 1947, favoring the prompt enactment of Senate bill 866, the so-called Taft-Ellender-Wagner housing bill; ordered to lie on the table.

By Mr. SPARKMAN:

A joint resolution of the Legislature of the State of Alabama; to the Committee on Appropriations:

"Senate Joint Resolution 8

"Whereas the huge reduction in the 1947 agricultural conservation program funds

from \$301,720,000 to \$165,614,290, and the reduction in other agricultural appropriations, recommended by the House Appropriations Committee in Washington, has halted practically all Production and Marketing Administration (AAA) activities in Alabama. Preliminary estimates recently made by PMA show that funds already obligated will equal or exceed the \$165,614,290 allowable by the Appropriations Committee recommendation; and

"Whereas much progress has been made in conservation during the past 9 years with the aid of AAA; practically one-half of Alabama farmers are now planting winter cover crops; terracing and other soil-conservation work is being carried on with great benefit to Alabama and the Nation; and

"Whereas there are now about 65,000 farmers in Alabama cooperating with and being directly benefited by this program; and indirect benefits are being derived by all the people of Alabama; and

"Whereas the conservation needs of Alabama are far in excess of what are now being met; we believe it is the responsibility of society to see that our soil resources are maintained and improved for future generations; and

"Whereas the proposed reduction in agricultural appropriations threatens to wreck the school-lunch program in Alabama unless the State greatly increases its funds of matching Federal money; and funds will be denied for farm-tenant loans to thousands of Alabama veterans, and small farmers under the Bankhead-Jones Farm Tenant Purchase Act; and

"Whereas we believe the farmers will be forced to exploit and drain the soil fertility if the agricultural conservation program is curtailed; much heretofore accomplished will be lost: Now, therefore, be it

"Resolved by the State Senate of Alabama (the House of Representatives concurring):

"1. That the Congress of the United States be most respectfully urged to continue and not to reduce the appropriations for the United States Department of Agriculture to carry on the agricultural conservation program and other programs being put on by the Agriculture Department.

"2. That the United States Senators, Hon. LISTER HILL and Hon. JOHN SPARKMAN, and our Representatives in Congress, be asked to support the agricultural conservation program and to vote for and to lend their support for the continuance of the annual appropriation of \$301,720,000, and other agricultural appropriations vital to the people of Alabama.

"3. That the secretary of state of Alabama be directed to transmit duly certified copies of this memorial to the President of the United States, chairmen of the United States Senate and House Committees on Agriculture, the United States Senate and House Committees on Appropriations, the Secretary of Agriculture in Washington, and to each Member of our congressional delegation.

"Approved June 13, 1947."

(The PRESIDENT pro tempore laid before the Senate a joint resolution of the Legislature of the State of Alabama, identical with the foregoing, which was referred to the Committee on Appropriations.)

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. WILEY, from the Committee on the Judiciary:

S. 18. A bill to establish uniform qualifications of jurors in the Federal courts, and for other purposes; with amendments (Rept. No. 314).

S. 176. A bill to provide for the furnishing of quarters at Brunswick, Ga., for the United States District Court for the Southern District of Georgia; without amendment (Rept. No. 315);

S. 179. A bill for the relief of Maj. Ralph M. Rowley and First Lt. Irving E. Sheffel; without amendment (Rept. No. 331);

S. 258. A bill for the relief of Troy Charles Davis, Jr.; without amendment (Rept. No. 322);

S. 292. A bill for the relief of Samuel Augenblick; without amendment (Rept. No. 316);

S. 490. A bill to provide for the extension and application of the provisions of the Classification Act of 1923, as amended, to certain officers and employees of the Immigration and Naturalization Service in the Department of Justice; without amendment (Rept. No. 317);

S. 880. A bill for the relief of Rev. John C. Young; without amendment (Rept. No. 332);

S. 957. A bill for the relief of Col. William J. Kennard; without amendment (Rept. No. 333);

S. 1100. A bill for the relief of Frankie Stalaker; with an amendment (Rept. No. 323); and

H. R. 1742. A bill for the relief of Mary Lomas; with an amendment (Rept. No. 318).

By Mr. BRIDGES, from the Committee on Appropriations:

H. R. 3791. A bill making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1947, and for other purposes; with amendments (Rept. No. 319);

S. Res. 129. Resolution authorizing the Committee on Appropriations, in making investigations under the Legislative Reorganization Act, to employ temporary assistants and make certain expenditures; with an amendment; and, under the rule, the resolution was referred to the Committee on Rules and Administration; and

S. Res. 130. Resolution authorizing the Committee on Appropriations to make additional expenditures under section 134 (a) of the Legislative Reorganization Act of 1946; without amendment; and, under the rule, the resolution was referred to the Committee on Rules and Administration.

By Mr. MORSE, from the Committee on Armed Services:

H. R. 2276. A bill to authorize the Secretary of War to pay certain expenses incident to training, attendance, and participation of personnel of the Army of the United States in the Seventh Winter Sports Olympic Games and the Fourteenth Olympic Games and for future Olympic games; with amendments (Rept. No. 328).

By Mr. BYRD, from the Committee on Armed Services:

H. R. 1358. A bill to amend the act entitled "An act to provide for the management and operation of naval plantations, outside the continental United States," approved June 28, 1944; with amendments (Rept. No. 326).

By Mr. BALDWIN, from the Committee on Armed Services:

H. R. 1375. A bill to further amend section 10 of the Pay Readjustment Act of 1942, so as to provide for the clothing allowance of enlisted men of the Marine Corps and Marine Corps Reserve; with amendments (Rept. No. 324); and

H. R. 2248. A bill to authorize the Secretary of War to grant an easement and to convey to the Louisiana Power & Light Co. a tract of land comprising a portion of Camp Livingston in the State of Louisiana; without amendment (Rept. No. 325).

By Mr. HILL, from the Committee on Armed Services:

H. R. 1845. A bill to amend existing laws relating to military leave of certain employees of the United States or of the District of Columbia so as to equalize rights to leave of absence and reemployment for such employees who are members of the Enlisted or Officers' Reserve Corps, the National Guard, or the Naval Reserve, and for other purposes; without amendment (Rept. No. 327).

By Mr. RUSSELL, from the Committee on Armed Services:

H. R. 3629. A bill to authorize the transfer

to the Panama Canal of property which is surplus to the needs of the War Department or Navy Department; without amendment (Rept. No. 329).

By Mr. SALTONSTALL, from the Committee on Armed Services:

H. R. 3124. A bill to authorize the attendance of the Marine Band at the Eighty-first National Encampment of the Grand Army of the Republic to be held in Cleveland, Ohio, August 10 to 14, 1947; without amendment (Rept. No. 330).

By Mr. ECTON, from the Committee on Public Lands:

S. 402. A bill to authorize and direct the Secretary of the Interior to issue to James Black Dog a patent in fee to certain land; with an amendment (Rept. No. 334); and

S. 608. A bill authorizing and directing the Secretary of the Interior to issue a patent in fee to Growing Four Times; with an amendment (Rept. No. 335).

By Mr. McCARTHY, from the Committee on Banking and Currency:

S. 1361. A bill to amend the United States Housing Act of 1937 so as to permit capital grants for low-rent-housing and slum-clearance projects where construction costs exceed present cost limitations upon condition that local housing agencies pay the difference between cost limitations and the actual construction costs; with amendments (Rept. No. 336).

EXTENSION OF RECONSTRUCTION FINANCE CORPORATION—REPORT OF A COMMITTEE

Mr. BUCK. Mr. President, from the Committee on Banking and Currency, I ask unanimous consent to report an original joint resolution to extend temporarily the succession and powers of the Reconstruction Finance Corporation, and I submit a report (No. 321) thereon.

The PRESIDENT pro tempore. Without objection, the report will be received, and the joint resolution will be placed on the calendar.

There being no objection, the joint resolution (S. J. Res. 135) to extend the succession, lending powers, and the functions of the Reconstruction Finance Corporation, was read twice by its title and placed on the calendar.

REORGANIZATION PLAN NO. 2—REPORT OF A COMMITTEE

Mr. BALL. Mr. President, from the Committee on Labor and Public Welfare, I ask unanimous consent to report adversely the concurrent resolution (H. Con. 49) against adoption of Reorganization Plan No. 2 of May 1, 1947, and I submit a report (No. 320) thereon.

The PRESIDENT pro tempore. Without objection, the report will be received, and the concurrent resolution will be placed on the calendar.

REPORT ON DISPOSITION OF EXECUTIVE PAPERS

Mr. LANGER, from the Joint Select Committee on the Disposition of Executive Papers, to which was referred for examination and recommendation a list of records transmitted to the Senate by the Archivist of the United States that appeared to have no permanent value or historical interest, submitted a report thereon pursuant to law.

INVESTIGATION OF OPERATIONS OF RECONSTRUCTION FINANCE CORPORATION AND SUBSIDIARIES

Mr. BUCK, from the Committee on Banking and Currency, reported an origi-

SECOND URGENT DEFICIENCY APPROPRIATION BILL,
1947

JUNE 20 (legislative day, APRIL 21), 1947.—Ordered to be printed

Mr. BRIDGES, from the Committee on Appropriations, submitted the
following

REPORT

[To accompany H. R. 3791]

The Committee on Appropriations, to whom was referred the bill (H. R. 3791) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1947, and for other purposes, report the same to the Senate with various amendments and present herewith information relative to the changes made.

Amount of bill as passed House.....	\$70, 856, 257. 87
Amount added by Senate (net).....	1, 380, 000. 00
Amount of bill as reported to Senate.....	72, 236, 257. 87
Total estimates considered, including \$1,500,000 of the \$65,000,000 contained in H. Doc. 283.....	61, 778, 757. 87
The bill exceeds the estimates.....	10, 457, 500. 00

The changes recommended by the committee in the amounts of the House bill are as follows:

INCREASES AND LIMITATIONS

Federal Security Agency:

Office of Vocational Rehabilitation:

The committee recommend that the following provision be added to the bill:

: Provided further, That the amount obligated and expended shall be based on an annual appropriation for the fiscal year 1948 of not to exceed \$18,000,000

Agriculture Department:

Sugar rationing program:

It is recommended by the committee that the following paragraph be stricken from the bill:

SUGAR RATIONING ADMINISTRATION

Salaries and expenses: Not to exceed \$215,000 of the \$898,000 transferred to the Department of Agriculture pursuant to section 3 (c) of the Sugar Control Extension Act of 1947 for the payment of terminal leave, is hereby merged with and made available for the fiscal year 1947 for the same purposes as other funds transferred to the Department of Agriculture pursuant to the same authority, notwithstanding the provisions to the contrary under the head "Office of Temporary Controls" in the Urgent Deficiency Appropriation Act, 1947.

The Department indicated to the committee that other funds have been made available for this purpose and asked that the paragraph be deleted.

Bureau of Animal Industry:

Control and eradication of foot-and-mouth disease----- \$1, 500, 000. 000

[The appropriation of \$9,000,000 for eradication of foot-and-mouth disease contained in the act approved Mar. 27, 1947 (Public Law 22), is practically exhausted. It was brought to the attention of the committee that in the lowlands of the northern part of the State of Michoacan there are at the present time some 60,000 cattle of which 20,000 have been exposed to the disease and should be slaughtered and buried without delay. During the rainy season in that part of Mexico, which is overdue, it is customary for the native people to move their livestock into higher country. If this is done and these 20,000 cattle are moved it would mean exposing thousands of more cattle to the disease, and could mean the prolongation of the campaign against the disease. It was pointed out to the committee that an immediate appropriation of \$1,500,000 is urgently needed to provide for the slaughter of the 20,000 cattle referred to above and additional cattle in the State of Guanajuato where 5,000 head must be slaughtered.]

War Department:

Emergency Flood Control Work:

It is recommended by the committee that the amount of \$12,000,000 provided for by this act be made available until expended in lieu of June 30, 1948, as proposed by the House.

It is recommended by the committee that the following paragraph be added to the bill:

The funds provided in the preceding paragraph shall be available to an amount not exceeding \$250,000 to take all action necessary to prevent erosion at Anaheim Bay, Surfside, California.

The effect of this amendment is to make \$250,000 of the funds appropriated for emergency flood control work by this act available to prevent erosion at Surfside, Calif. It was pointed out to the committee that during the war the Navy built several jetties which changed the current to such an extent that the homes at Surfside, Calif., are being washed away. To

War Department—Continued

correct this condition the committee proposes that not to exceed \$250,000 be made available for this purpose.

Total increase_____	\$1, 500, 000. 00
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DECREASES AND LIMITATIONS

Post Office Department:

Office of the Second Assistant Postmaster General: -

Foreign air-mail transportation, 1947_____	120, 000. 00
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The committee recommends that the direct appropriation for this purpose be reduced by \$120,000, and has substituted in lieu thereof transferred funds as follows:

Post-office inspectors, salaries_____	\$10, 000
Post-office inspectors, travel and miscellaneous expenses_____	10, 000
Transportation of equipment and supplies_____	50, 000
Operating force for public build- ings_____	50, 000

Total_____	120, 000
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Total increase_____	1, 500, 000. 00
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Total decrease_____	120, 000. 00
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Net increase_____	1, 380, 000. 00
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Amount of bill as reported to the Senate_____	72, 236, 257. 87
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80TH CONGRESS
1ST SESSION**H. R. 3791**

[Report No. 319]

IN THE SENATE OF THE UNITED STATES

JUNE 13 (legislative day, APRIL 21), 1947

Read twice and referred to the Committee on Appropriations

JUNE 20 (legislative day, APRIL 21), 1947

Reported by Mr. BRIDGES, with amendments

[Omit the part struck through and insert the part printed in italic]

AN ACT

Making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1947, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, to supply urgent
5 deficiencies in certain appropriations for the fiscal year
6 ending June 30, 1947, and for other purposes, namely:

LEGISLATIVE BRANCH**HOUSE OF REPRESENTATIVES**

9 For payment to Marcia Marie Bradley, widow of Fred
10 Bradley, late a Representative from the State of Michigan,
11 \$12,500.

CONTINGENT EXPENSES OF THE HOUSE

Special and select committees: For an additional amount, fiscal year 1947, for "Special and select committees", \$50,000.

Telegraph and telephone: For an additional amount, fiscal year 1947, for "Telegraph and telephone", \$15,000.

GOVERNMENT PRINTING OFFICE

WORKING CAPITAL AND CONGRESSIONAL PRINTING AND

BINDING

For an additional amount for "Working capital and congressional printing and binding", fiscal year 1947, \$1,175,000: *Provided*, That the limitation upon the amount which may be expended for printing, binding, and distribution of the Federal Register is hereby increased from "\$500,000" to "\$525,000" and the limitation upon the amount which may be expended for printing and binding the supplements to the Code of Federal Regulations is hereby increased from "\$100,000" to "\$125,000".

OFFICE OF SUPERINTENDENT OF DOCUMENTS

Salaries: For an additional amount, fiscal year 1947, for "Salaries", \$21,500.

THE JUDICIARY

COURT OF CUSTOMS AND PATENT APPEALS

Printing and binding: For an additional amount, fiscal year 1946, for "Printing and binding", \$1,074.07.

1 MISCELLANEOUS ITEMS OF EXPENSE

2 Printing and binding: For an additional amount, fiscal
3 year 1946, for "Printing and binding", \$7,050.

4 Fees of jurors: For an additional amount, fiscal year
5 1947, for "Fees of jurors", \$30,000.

6 Printing and binding: For an additional amount, fiscal
7 year 1947, for "Printing and binding", \$23,700.

8 INDEPENDENT OFFICES

9 FEDERAL SECURITY AGENCY

10 BUREAU OF EMPLOYEES' COMPENSATION

11 Employees' compensation fund: For an additional
12 amount, fiscal year 1947, for "Employees' compensation
13 fund", \$500,000.

14 OFFICE OF VOCATIONAL REHABILITATION

15 Such sums as may be necessary are hereby appropriated
16 for making for the first quarter of the fiscal year 1948 pay-
17 ments to States in accordance with the Vocational Rehabili-
18 tation Act, as amended (29 U. S. C., ch. 4): *Provided*,
19 That the obligations incurred and expenditures made for such
20 purpose under the authority of this appropriation, shall be
21 charged to the appropriation therefor in the Labor-Federal
22 Security Appropriation Act, 1948: *Provided further, That*
23 *the amount obligated and expended shall be based on an*

1 *annual appropriation for the fiscal year 1948 of not to*
2 *exceed \$18,000,000.*

3 VETERANS' ADMINISTRATION

4 Administration, medical, hospital, and domiciliary serv-
5 ices: For an additional amount, fiscal year 1947, for
6 "Administration, medical, hospital, and domiciliary services",
7 \$28,400,000.

8 DISTRICT OF COLUMBIA

9 COMPENSATION AND RETIREMENT FUND EXPENSES

10 Workmen's compensation, administrative expenses: For
11 an additional amount, fiscal year 1947, for "Workmen's com-
12 pensation, administrative expenses", \$6,000.

13 COURTS

14 United States courts: For an additional amount, fiscal
15 year 1946, for "United States courts", \$140,510.25.

16 PUBLIC WELFARE

17 Operating expenses, institutions for the indigent: For an
18 additional amount, fiscal year 1947, for "Operating expenses,
19 institutions for the indigent", \$6,000.

20 PUBLIC WORKS

21 Operating expenses, Office of Superintendent of District
22 Buildings: For an additional amount, fiscal year 1947, for
23 "Operating expenses, Office of Superintendent of District
24 Buildings", \$29,500.

JUDGMENTS

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AUDITED CLAIMS

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DIVISION OF EXPENSES

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For the payment of final judgments, including costs rendered against the District of Columbia, as set forth in House Document Numbered 296, together with such further sums as may be necessary to pay the interest at not exceeding 4 per centum per annum on such judgments, as provided by law, from the date the same became due until the date of payment, \$2,364.89.

For the payment of the following claims, certified to be due by the accounting officers of the District of Columbia, under the appropriations listed below, the balances of which have been exhausted or carried to the surplus fund under the provisions of section 5 of the Act of June 20, 1874 (31 U. S. C. 713), being for the service of the fiscal year 1943 and prior fiscal years, as follows:

Refund of erroneous collections, District of Columbia, 1942, \$117.49;

Refund of erroneous collections, District of Columbia, 1943, \$6,211.29;

Street improvements, highway fund, District of Columbia, 1942 (payable from highway fund), \$34,078.14.

The sums appropriated in this Act for the District of Columbia shall, unless otherwise specifically provided, be

1 paid out of the general fund of the District of Columbia, as
2 defined in the District of Columbia Appropriation Act, 1947.

3 DEPARTMENT OF AGRICULTURE

4 SUGAR RATIONING ADMINISTRATION

5 Salaries and expenses: Not to exceed \$215,000 of the
6 \$898,000 transferred to the Department of Agriculture pur-
7 suant to section 3 (c) of the Sugar Control Extension Act
8 of 1947 for the payment of terminal leave, is hereby
9 merged with and made available for the fiscal year 1947
10 for the same purposes as other funds transferred to the
11 Department of Agriculture pursuant to the same authority,
12 notwithstanding the provisions to the contrary under the
13 head "Office of Temporary Controls" in the Urgent De-
14 ficiency Appropriation Act, 1947.

15 AGRICULTURAL RESEARCH ADMINISTRATION

16 REPAIR OF STORM DAMAGE, JEANERETTE, LOUISIANA

17 The limitation under the head "Agricultural Research
18 Administration, Office of the Administrator", in the 1947
19 Department of Agriculture Appropriation Act on the cost
20 of constructing buildings shall not apply to the construction
21 of four buildings at the New Iberia Livestock Experiment
22 Station, Jeanerette, Louisiana, to replace buildings destroyed
23 by windstorm.

24 BUREAU OF ANIMAL INDUSTRY

25 Diseases of animals: The limitation under this head in

1 the Department of Agriculture Appropriation Act, 1947,
 2 on the amount which may be used for construction of a
 3 building for conducting investigations of pneumoencephalitis
 4 in poultry is hereby increased from “\$30,000” to “\$55,000”.

5 *Control and eradication of foot-and-mouth disease and*
 6 *rinderpest: For an additional amount, fiscal year 1947, to*
 7 *enable the Secretary of Agriculture to control and eradicate*
 8 *foot-and-mouth disease and rinderpest as authorized by the*
 9 *Act of February 28, 1947 (Public Law 8), and the Act*
 10 *of May 29, 1884, as amended (7 U. S. C. 391; 21 U. S. C.*
 11 *111-122), including expenses in accordance with section 2*
 12 *of said Public Law 8, \$1,500,000, to remain available until*
 13 *June 30, 1948.*

14 DEPARTMENT OF JUSTICE

15 LEGAL ACTIVITIES AND GENERAL ADMINISTRATION

16 Traveling expenses: For an additional amount, fiscal
 17 year 1942, for “Traveling expenses”, \$14.04.

18 Salaries and expenses, Lands Division: For an addi-
 19 tional amount, fiscal year 1942, for “Salaries and expenses,
 20 Lands Division”, \$137.70.

21 There is hereby transferred the sum of \$5,000 from the
 22 appropriation “Traveling expenses, Department of Justice,
 23 1947”, to the appropriation “Examination of judicial offices,
 24 1947”.

1 Printing and binding: For an additional amount, fiscal
2 year 1946, for "Printing and binding", \$65,000.

3 Miscellaneous salaries and expenses, field: For an addi-
4 tional amount, fiscal year 1946, for "Miscellaneous salaries
5 and expenses, field", \$20,000.

6 Salaries and expenses of marshals, and so forth: For an
7 additional amount, fiscal year 1946, for "Salaries and ex-
8 penses of marshals, and so forth", \$10,000.

9 Contingent expenses: For an additional amount, fiscal
10 year 1947, for "Contingent expenses", \$10,000.

11 Printing and binding: For an additional amount, fiscal
12 year 1947, for "Printing and binding", \$80,000.

13 Miscellaneous salaries and expenses, field: For an addi-
14 tional amount, fiscal year 1947, for "Miscellaneous salaries
15 and expenses, field", \$29,500.

16 Salaries and expenses of marshals, and so forth: For an
17 additional amount, fiscal year 1947, for "Salaries and ex-
18 penses of marshals, and so forth", \$140,000.

19 Fees of witnesses: The limitation on the amount which
20 may be expended for compensation and expenses of witnesses
21 or informants as may be authorized or approved by the
22 Attorney General, fiscal year 1947, is hereby increased from
23 "\$25,000" to "\$50,000".

1 IMMIGRATION AND NATURALIZATION SERVICE

2 Salaries and expenses, Immigration and Naturalization
3 Service: For an additional amount, fiscal year 1947, for
4 "Salaries and expenses, Immigration and Naturalization
5 Service", \$400,000.

6 POST OFFICE DEPARTMENT

7 (Out of the Postal Revenues)

8 FIELD SERVICE, POST OFFICE DEPARTMENT

9 OFFICE OF THE SECOND ASSISTANT POSTMASTER GENERAL

10 Foreign air-mail transportation: For an additional
11 amount, fiscal year 1945, for "Foreign air-mail transporta-
12 tion", \$3,919,000.

13 Foreign air-mail transportation: For an additional
14 amount, fiscal year 1946, for "Foreign air-mail transporta-
15 tion", \$8,196,000.

16 Foreign air-mail transportation: For an additional
17 amount, fiscal year 1947, for "Foreign air-mail transporta-
18 tion", \$21,262,000, of which ~~\$5,977,000~~ \$6,097,000 is
19 to be transferred in the following respective amounts from
20 the appropriations "Domestic Air Mail Service", \$5,972,000,
21 "*Post-office inspectors, salaries*", \$10,000, "*Post-office in-*
22 "*spectors, travel and miscellaneous expenses*", \$10,000,
23 "*Transportation of equipment and supplies*", \$50,000,

- 1 *"Operating force for public buildings", \$50,000, and*
2 *"Electric-car service", \$5,000.*

3 TREASURY DEPARTMENT

4 OFFICE OF THE SECRETARY

5 Penalty-mail costs: For an additional amount, fiscal
6 year 1947, for "Penalty-mail costs", Treasury Department,
7 \$225,000.

8 FISCAL SERVICE

9 Emergency relief, liquidation fund: Title II of the
10 Urgent Deficiency Appropriation Act, 1947 (Public Law
11 20), is amended by deleting the figures "\$1,280,000" follow-
12 ing the words "Bureau of Accounts: Emergency relief,
13 liquidation fund", and inserting in lieu thereof the figures
14 "\$1,243,555.94".

15 BUREAU OF INTERNAL REVENUE

16 Salaries and expenses: The limitation under "Salaries
17 and expenses", Bureau of Internal Revenue, on the amount
18 which may be expended for printing and binding, fiscal
19 year 1947, is hereby increased from "\$2,200,000" to
20 "\$2,390,000".

21 SECRET SERVICE DIVISION

22 Reimbursement to District of Columbia, benefit pay-
23 ments to White House Police and Secret Service forces:
24 For an additional amount, fiscal year 1947, for "Reimburse-

1 ment to District of Columbia, benefit payments to White
2 House Police and Secret Service forces", \$16,000.

3 WAR DEPARTMENT

4 Emergency Flood Control Work, \$12,000,000, to be
5 expended in accord with the provisions of the bill, H. R.
6 3792, Eightieth Congress, if and when such bill is enacted
7 into law, and to remain available until ~~June 30, 1948~~
8 *expended.*

9 *The funds provided in the preceding paragraph shall*
10 *be available to an amount not exceeding \$250,000 to take*
11 *all action necessary to prevent erosion at Anaheim Bay,*
12 *Surfside, California.*

13 GENERAL PROVISIONS

14 SEC. 102. The appropriations and authority with respect
15 to appropriations contained in (1) any regular annual
16 appropriation Act for the fiscal year 1948, or (2) contained
17 in other than a regular annual appropriation Act for the
18 fiscal year 1948, and being for such fiscal year, or (3)
19 contained in other than a regular annual appropriation Act
20 for the fiscal year 1948, and being supplemental to an exist-
21 ing appropriation and for obligation after June 30, 1947,
22 such Acts not being laws on July 1, 1947, shall be available
23 from and including July 1, 1947, for the purposes respectively
24 provided in such appropriations and authority. All obliga-

1 tions incurred during the period between June 30, 1947,
2 and the date of enactment of such appropriation Acts as may
3 not have been enacted on or before July 1, 1947, in anticipa-
4 tion of such appropriations and authority are hereby ratified
5 and confirmed if in accordance with the terms thereof.

6 SEC. 103. When employees are separated from the serv-
7 ice during July 1947 by reason of a reduction-in-force and
8 have been given notice of such separation during the fiscal
9 year 1947, lump-sum payments for accumulated leave may
10 be charged against unobligated balances of the 1947 appro-
11 priations from which such employees were paid: *Provided*,
12 That subparagraphs (A) and (B) of paragraph (1) of
13 section 14 (a) of the Federal Employees Pay Act of 1946
14 (Public Law 390) shall not apply to such employees.

15 SEC. 104. No part of any appropriation contained in
16 this Act shall be used to pay the salary or wages of any
17 person who engages in a strike against the Government of
18 the United States or who is a member of an organization
19 of Government employees that asserts the right to strike
20 against the Government of the United States, or who advo-
21 cates, or is a member of an organization that advocates, the
22 overthrow of the Government of the United States by force
23 or violence: *Provided*, That for the purposes hereof an affi-
24 davit shall be considered prima facie evidence that the person
25 making the affidavit has not contrary to the provisions of

1 this section engaged in a strike against the Government of
2 the United States, is not a member of an organization of
3 Government employees that asserts the right to strike against
4 the Government of the United States, or that such person
5 does not advocate, and is not a member of an organization
6 that advocates, the overthrow of the Government of the
7 United States by force or violence: *Provided further*, That
8 any person who engages in a strike against the Government
9 of the United States or who is a member of an organization
10 of Government employees that asserts the right to strike
11 against the Government of the United States, or who ad-
12 vocates, or who is a member of an organization that advo-
13 cates, the overthrow of the Government of the United States
14 by force or violence and accepts employment the salary or
15 wages for which are paid from any appropriation contained
16 in this Act shall be guilty of a felony and, upon conviction,
17 shall be fined not more than \$1,000 or imprisoned for not
18 more than one year, or both: *Provided further*, That the
19 above penalty clause shall be in addition to, and not in
20 substitution for, any other provisions of existing law.

21 SEC. 105. This Act may be cited as the "Second Urgent
22 Deficiency Appropriation Act, 1947".

Passed the House of Representatives June 12, 1947.

Attest:

JOHN ANDREWS,

Clerk.

80TH CONGRESS
1ST SESSION

H. R. 3791

[Report No. 319]

AN ACT

Making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1947, and for other purposes.

JUNE 13 (legislative day, APRIL 21), 1947

Read twice and referred to the Committee on
Appropriations

JUNE 20 (legislative day, APRIL 21), 1947

Reported with amendments

DIGEST OF CONGRESSIONAL PROCEEDINGS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
Division of Legislative Reports
(For Department staff only)

Issued June 24, 1947
For actions of June 23, 1947
80th-1st, No. 119

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HIGHLIGHTS: Senate passed deficiency appropriation bill which includes items on foot-and-mouth disease, deficiency obligations, terminal leave from 1947 funds, and ARA buildings. Senate committee reported measures to end certain war powers and continue others. Rep. Murray, Wis., indicated belief that SCS funds are adequate, said "New Dealers...voted to liquidate the sheep business", and said "administration has allowed milk to sell below the floor". Senate passed measure to continue RFC without change; House Rules cleared similar bill.

SENATE

- 1. SECOND URGENT DEFICIENCY APPROPRIATION BILL, 1947.** Passed as reported this bill, H. R. 3791 (pp. 7697). For its provisions see Digests 117 and 110. Sens. Bridges, Brooks, Gurney, Ball, McKellar, Hayden, and Tydings were appointed conferees (p. 7697).
- 2. LABOR.** Over-rode, 68-25, the veto of H. R. 3020, the labor-management bill (pp. 7677-92). The bill now becomes law.
- 3. WAR POWERS.** The Judiciary Committee reported with amendments S. J. Res. 123, declaring that in interpreting certain laws and proclamations World War II, the limited emergency, and the unlimited emergency shall be construed as terminated and peace established (S. Rept. 339); and S. 1461, to continue certain powers under the Second War Powers Act (S. Rept. 340) (p. 7693).
- 4. ELECTRIFICATION.** Received from the Federal Power Commission its report on "Electric Utility Depreciation Practices," 1945; to Interstate and Foreign Commerce Committee (p. 7692).
- 5. SURPLUS PROPERTY.** Received from the Wis. Legislature a memorial asking discontinuance of disposal of surplus war goods until a "new and adequate system" can be worked out, and asking for an investigation (p. 7693).
- 6. HEALTH.** At Sen. Aiken's request, transferred the President's health message from the Expenditures Committee to the Labor and Public Welfare Committee (p. 7694).
- 7. FLOOD CONTROL.** Sens. Butler and Wherry, Nebr., spoke in favor of additional funds for flood control and mentioned farm damage from floods (pp. 7695-6).

8. FORESTS. Passed as reported S. 616, to authorize creation of a game refuge in Francis Marion National Forest, S.C. (p. 7698).
9. FISH. Passed as reported S. 682, to regulate interstate transportation of black bass and other game fish (p. 7698).
10. RECONSTRUCTION FINANCE CORPORATION. Passed without amendment S.J.Res. 135, to continue RFC without change until June 30, 1948 (p. 7705).
11. MILITARY LEAVE. Passed without amendment H.R. 1845, to amend laws regarding such leave to certain U.S. employees so as to equalize rights to leave and re-employment for such employees who are members of the Enlisted or Officers' Reserve Corps, the National Guard, or the Naval Reserve (p. 7706). This bill will now be sent to the President.
12. ASSISTANT SECRETARY OF COMMERCE. Passed without amendment S. 1421, to provide for an additional Assistant Secretary of Commerce (p. 7712).
13. NAVAL APPROPRIATION BILL, H.R. 3493, was reported with amendments (S. Rept. 338) (p. 7693).

HOUSE

14. SOIL CONSERVATION; WOOL; MILK PRICE SUPPORTS. Rep. Murray, Wis., stated that "the New Dealers...voted to liquidate the sheep business...on June 16, 1947", that "it is difficult to see how the Soil Conservation Service can complain" about appropriations, and that "the administration has allowed milk to sell below the floor guaranteed by law" (p. 7716-7).
15. R.F.C. EXTENSION. The Rules Committee reported a resolution for the consideration of H.R. 3916, the RFC extension bill (pp. 7720, 7732).
16. FLOOD CONTROL. Rep. Curtis, Nebr., urged emergency assistance to control floods in southwest Nebr. (p. 7715).
17. FOREIGN AFFAIRS. Rep. Courtney, Tenn., spoke favoring H.R. 3342, the information and educational exchange bill (p. 7718).

BILLS INTRODUCED

18. PERSONNEL. S. 1492, by Sen. Langer, N. Dak., to amend the Social Security Act so as to provide unemployment compensation for Federal employees; and to provide benefits for Federal employees involuntarily separated from employment. To Civil Service Committee. (p. 7693.)
S. 1493, by Sen. Langer, N. Dak., "to amend section 19 of the Veterans' Preference Act. To Civil Service Committee. (p. 7693.)
S. 1494, by Sen. Langer, N. Dak., "to amend section 14 of the Veterans' Preference Act. To Civil Service Committee. (p. 7693.)

ITEMS IN APPENDIX

19. APPROPRIATIONS. Sen. Magnuson, Wash., inserted his statement before the Senate Appropriations Committee urging that adequate appropriations be made for SCS, APC, cron insurance, forest roads and trails, and REA (pp. A3268-72).
20. FARM PROGRAM. Extension of remarks of Rep. Lemke, N. Dak., defending the farmers' position in the question of high food prices and including a United

United States Maritime Commission; (8) from the Federal Security Administrator; (9) from Assistant Secretary of Agriculture; (10) memorandum from Shipping Division, Department of State.)

HARRY S. TRUMAN.

THE WHITE HOUSE, June 23, 1947.

MINE SAFETY CODE—HEARING BEFORE SUBCOMMITTEE

Mr. BUTLER. Mr. President, for the benefit of Senators who may be interested, the Subcommittee on Mines and Mining of the Committee on Public Lands is in session today and will be in session again tonight. They are meeting now in the room of the Committee on the District of Columbia. At 7:30 tonight they will meet in room 224 in the Senate Office Building, which is the hearing room of the Committee on Public Lands. They are considering the proposal to adopt for a period of 1 year the mine safety code. I know that some Senators from mining States are interested, and they will be welcome to attend.

PRESIDENTIAL SUCCESSION

The Senate resumed the consideration of the bill (S. 564) to provide for the performance of the duties of the office of President, in case of the removal, resignation, or inability both of the President and Vice President.

SECOND URGENT DEFICIENCY APPROPRIATION BILL, 1947

Mr. BRIDGES. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside, and that the Senate proceed to consider House bill 3791, making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1947, and for other purposes.

There being no objection, the Senate proceeded to consider the bill (H. R. 3791) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1947, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. BRIDGES. Mr. President, I ask that the formal reading of the bill be dispensed with, that it be read for amendment, and that the amendments of the committee be first considered.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The clerk will state the first committee amendment.

The first amendment of the Committee on Appropriations was, under the heading "Independent Offices—Federal Security Agency—Office of Vocational Rehabilitation," on page 3, line 22, after the numerals "1948", to insert a colon and the following additional proviso: "Provided further, That the amount obligated and expended shall be based on an annual appropriation for the fiscal year 1948 of not to exceed \$18,000,000."

The amendment was agreed to.

The next amendment was, under the heading "Department of Agriculture," on page 6, after line 3, to strike out:

SUGAR RATIONING ADMINISTRATION

Salaries and expenses: Not to exceed \$215,000 of the \$898,000 transferred to the Department of Agriculture pursuant to section 3 (c) of the Sugar Control Extension

Act of 1947 for the payment of terminal leave, is hereby merged with and made available for the fiscal year 1947 for the same purposes as other funds transferred to the Department of Agriculture pursuant to the same authority, notwithstanding the provisions to the contrary under the head "Office of Temporary Controls" in the Urgent Deficiency Appropriation Act, 1947.

The amendment was agreed to.

The next amendment was, under the subhead "Bureau of Animal Industry," on page 7, after line 4, to insert:

Control and eradication of foot-and-mouth disease and rinderpest: For an additional amount, fiscal year 1947, to enable the Secretary of Agriculture to control and eradicate foot-and-mouth disease and rinderpest as authorized by the act of February 28, 1947 (Public Law 8), and the act of May 29, 1884, as amended (7 U. S. C. 391; 21 U. S. C. 111-122), including expenses in accordance with section 2 of said Public Law 8, \$1,500,000, to remain available until June 30, 1948.

Mr. BRIDGES. Mr. President, in connection with the appropriation of one and a half million dollars for the Bureau of Animal Industry for the control and eradication of foot-and-mouth disease, I should like to make a brief explanation of that item, for the reason that I stated on the floor, in connection with a previous deficiency bill, that if we included \$9,000,000, which we did, for the eradication of foot-and-mouth disease in Mexico, it would carry us until June 30. However, in the light of the widespread character of the disease in Mexico and the necessity for moving with as much speed as possible, we found that unless an additional \$1,500,000 were appropriated for use between now and June 30, there would be a very definite lapse in the prosecution of the work. For that reason, contrary to what we stated before, we have inserted an item of \$1,500,000 to carry the work through to July 1.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment on page 7, after line 4.

The amendment was agreed to.

The PRESIDENT pro tempore. The clerk will state the next amendment of the committee.

The next amendment was, under the heading "Post Office Department—(out of the Postal Revenues)—Field Service, Post Office Department—Office of the Second Assistant Postmaster General," on page 9, line 18, after the word "which", to strike out "\$5,977,000" and insert "\$6,097,000"; and in line 21, after the figure "\$5,972,000", to insert "Post-office inspectors, salaries", \$10,000, "Post-office inspectors, travel and miscellaneous expenses", \$10,000, "Transportation of equipment and supplies", \$50,000, "Operating force for public buildings", \$50,000."

The amendment was agreed to.

The next amendment was, under the heading "War Department," on page 11, line 7, after the word "until", to strike out "June 30, 1948" and insert "expended."

The amendment was agreed to.

The next amendment was, on page 11, after line 8, to insert:

The funds provided in the preceding paragraph shall be available to an amount not exceeding \$250,000 to take all action neces-

sary to prevent erosion at Anaheim Bay, Surfside, Calif.

The amendment was agreed to.

The PRESIDENT pro tempore. That concludes the committee amendments.

The bill is open to further amendment. If there be no further amendments to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill, H. R. 3791, was read the third time and passed.

Mr. BRIDGES. Mr. President, I move that the Senate insist upon its amendments and request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. BRIDGES, Mr. BROOKS, Mr. GURNEY, Mr. BALL, Mr. MCKELLAR, Mr. HAYDEN, and Mr. TYDINGS conferees on the part of the Senate.

PRESIDENTIAL SUCCESSION

The Senate resumed the consideration of the bill (S. 564) to provide for the performance of the duties of the office of President, in case of the removal, resignation, or inability both of the President and Vice President.

THE CALENDAR

Mr. WHITE. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of bills on the calendar to which there is no objection, beginning with Calendar No. 288.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Maine?

Mr. RUSSELL. Mr. President, I do not desire to object, but I think we should have a quorum call to notify Senators that we are about to call the calendar.

The PRESIDENT pro tempore. The Senator from Georgia may have heard the Senator from Nebraska [Mr. WHERRY] notify the Senate that there would be a call of the calendar.

Mr. RUSSELL. I did not. If the notification was given at a time when there was a full attendance, I withdraw the suggestion of the absence of a quorum.

The PRESIDENT pro tempore. The Senator from Nebraska gave such notification.

Mr. WHERRY. Mr. President, I notified Senators that after the deficiency bill was concluded we would immediately proceed with a call of the calendar.

Mr. RUSSELL. At what time was the notice given?

Mr. WHERRY. Just prior to the consideration of the deficiency bill. Of course, there was some confusion in the Chamber.

Mr. RUSSELL. There was a great deal of confusion in the Chamber. I was present, and I did not hear the announcement. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hatch	Murray
Baldwin	Hawkes	Myers
Ball	Hayden	O'Connor
Barkley	Hickenlooper	O'Daniel
Brewster	Hill	O'Mahoney
Bricker	Hoey	Overton
Bridges	Holland	Pepper
Brooks	Ives	Reed
Buck	Jenner	Revercomb
Bushfield	Johnson, Colo.	Robertson, Va.
Butler	Johnston, S. C.	Robertson, Wyo.
Byrd	Kern	Russell
Cain	Kilgore	Saltonstall
Capehart	Knowland	Smith
Capper	Langer	Sparkman
Chavez	Lodge	Stewart
Connally	Lucas	Taft
Cooper	McCarran	Taylor
Cordon	McCarthy	Thomas, Okla.
Donnell	McClellan	Thye
Downey	McFarland	Tolley
Dworshak	McGrath	Tydings
Eastland	McKellar	Umstead
Eaton	McMahon	Vanderberg
Ellender	Magnuson	Watkins
Ferguson	Malone	Wherry
Flanders	Martin	White
Fulbright	Maybank	Wilcy
George	Millikin	Williams
Green	Moore	Wilson
Gurney	Morse	Young

The PRESIDENT pro tempore. Ninety-three Senators have answered to their names. A quorum is present.

The Senator from Maine asks unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of bills on the calendar to which there is no objection, beginning with Order No. 288. Is there objection? The Chair hears none, and the order is made.

The clerk will state the first measure on the calendar.

GAME REFUGE IN FRANCIS MARION NATIONAL FOREST, S. C.

The Senate proceeded to consider the bill (S. 616) to authorize the creation of a game refuge in the Francis Marion National Forest in the State of South Carolina, which had been reported from the Committee on Interstate and Foreign Commerce with an amendment, on page 1, line 5, after the word "birds" and the comma, to insert "and fish", so as to make the bill read:

Be it enacted, etc., That for the purpose of providing breeding places for game animals and birds and for the protection and administration of game animals and birds, and fish, the President of the United States is hereby authorized, upon the recommendation of the Secretary of Agriculture, to establish by public proclamation certain specified federally owned areas within the Francis Marion National Forest as game sanctuaries and refuges.

SEC. 2. The Secretary of Agriculture shall execute the provisions of this act, and he is hereby authorized to prescribe all general rules and regulations for the administration of such game sanctuaries and refuges, and violation of such rules and regulations shall be punished by fine of not more than \$500 or imprisonment for not more than 6 months or both.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

INTERSTATE TRANSPORTATION OF BLACK BASS AND OTHER GAME FISH

The Senate proceeded to consider the bill (S. 682) to regulate the interstate transportation of black bass and other

game fish, and for other purposes, which had been reported from the Committee on Interstate and Foreign Commerce with amendments, on page 1, line 9, after the word "carrier", to insert the words "and the term 'game fish' shall mean black bass and such other fish as are defined as game fish by the laws of the State, Territory, or the District of Columbia, in which the fish has been either caught, killed, taken, sold, purchased, or possessed, or from which it was transported"; on page 2, line 12, after the word "transported", to insert "or is contrary to other applicable law"; on page 2, line 18, after the word "transported", to insert "or contrary to other applicable law", so as to make the bill read:

Be it enacted, etc., That the act entitled "An act to regulate the interstate transportation of black bass, and for other purposes," approved May 20, 1926, as amended, is hereby further amended to read as follows:

"That when used in this act, the word 'person' includes company, partnership, corporation, association, and common carrier, and the term 'game fish' shall mean black bass and such other fish as are defined as game fish by the laws of the State, Territory, or the District of Columbia, in which the fish has been either caught, killed, taken, sold, purchased, or possessed, or from which it was transported.

"SEC. 2. It shall be unlawful for any person to deliver or knowingly receive for transportation, or knowingly to transport, by any means whatsoever, from any State, Territory, or the District of Columbia, to or through any other State, Territory, or the District of Columbia, or to or through any foreign country, any black bass or other game fish, if (1) such transportation is contrary to the law of the State, Territory, or the District of Columbia from which such black bass or other game fish is or is to be transported, or is contrary to other applicable law, or (2) such black bass or other game fish has been either caught, killed, taken, sold, purchased, possessed, or transported, at any time, contrary to the law of the State, Territory, or the District of Columbia in which it was caught, killed, taken, sold, purchased, or possessed, or from which it was transported or contrary to other applicable law; and no person shall knowingly purchase or receive any such black bass or other game fish which has been transported in violation of the provisions of this Act; nor shall any person receiving any shipment of black bass or other game fish transported in interstate commerce make any false record or render a false account of the contents of such shipment.

"SEC. 3. Any package or container containing such game fish transported or delivered for transportation in interstate commerce, except any shipment covered by section 9, shall be clearly and conspicuously marked on the outside thereof with the name 'Game Fish,' an accurate statement of the number of each species of such fish contained therein, and the names and addresses of the shipper and consignee.

"SEC. 4. All such black bass or other game fish transported into any State, Territory, or the District of Columbia for use, consumption, sale, or storage therein shall upon arrival in such State, Territory, or the District of Columbia be subject to the operation and effect of the laws of such State, Territory, or the District of Columbia to the same extent and in the same manner as though such fish had been produced in such State, Territory, or the District of Columbia, and shall not be exempt therefrom by reason of being introduced therein in original packages or otherwise.

"SEC. 5. The Secretary of the Interior is authorized (1) to make such expenditures, including expenditures for personal services

at the seat of government and elsewhere, and for cooperation with local, State, and Federal authorities, including the issuance of publications, and necessary investigations, as may be necessary to execute the functions imposed upon him by this act and as may be provided for by Congress from time to time; and (2) to make such regulations as he deems necessary to carry out the purposes of this act. Any person violating any such regulation shall be deemed guilty of a violation of this act.

"SEC. 6. (a) Any employee of the Department of the Interior authorized by the Secretary of the Interior to enforce the provisions of this act (1) shall have power, without warrant, to arrest any person committing in the presence of such employee a violation of this act or any regulation made in pursuance of this act, and to take such person immediately for examination or trial before an officer or court of competent jurisdiction; (2) shall have power to execute any warrants or other process issued by an officer or court of competent jurisdiction to enforce the provisions of this act or regulations made in pursuance thereof; and (3) shall have authority with a search warrant issued by an officer or court of competent jurisdiction, to make search in accordance with the terms of such warrant. Any judge of a court established under the laws of the United States, or any United States commissioner may, within his respective jurisdiction, upon proper oath or affirmation showing probable cause, issue warrants in all such cases.

"(b) All fish delivered for transportation or which have been transported, purchased, received, or which are being transported, in violation of this act, or any regulations made pursuant thereto, shall, when found by such employee or by any marshal or deputy marshal, be summarily seized by him and placed in the custody of such persons as the Secretary of the Interior shall by regulations prescribe, and shall, as a part of the penalty and in addition to any fine or imprisonment imposed under section 7 of this act, be forfeited by such court to the United States, upon conviction of the offender under this act, or upon judgment of the court that the same were transported, delivered, purchased, or received in violation of this act or regulations made pursuant thereto.

"SEC. 7. In addition to any forfeiture herein provided, any person who shall violate any of the provisions of this act shall, upon conviction thereof, be punished by a fine of not exceeding \$200, or imprisonment for a term of not more than 3 months, or by both such fine and imprisonment, in the discretion of the court.

"SEC. 8. Nothing in this act shall be construed to prevent the several States and Territories from making or enforcing laws or regulations not inconsistent with the provisions of this act, or from making or enforcing laws or regulations which shall give further protection to black bass and other game fish.

"SEC. 9. Nothing in this act shall be construed to prevent the shipment in interstate commerce of live fish and eggs for breeding or stocking purposes."

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

PERMANENT EASEMENT TO MAYOR AND CITY COUNCIL OF BALTIMORE, MD.

The bill (H. R. 2654) to authorize the Secretary of the Treasury to grant to the Mayor and City Council of Baltimore, State of Maryland, a permanent easement for the purpose of installing, maintaining, and servicing a subterranean water main in, on, and across the land of the United States Coast Guard station,

DIGEST OF CONGRESSIONAL PROCEEDINGS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE

Issued

June 25, 1947

Division of Legislative Reports

For actions of

June 24, 1947

(For Department staff only)

80th-1st, No. 120

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HIGHLIGHTS: House sent deficiency appropriation bill to President. House passed foreign information and educational exchange and RFC extension bills. House committee reported bill to continue certain war powers. Senate passed measure ending certain war and emergency powers. Senate committees approved bill to transfer Remount Service to USDA, measure to consolidate all general appropriation bills, and reported bill to establish Commission on Organization in Executive Branch. Bills introduced authorizing sale of CCC-owned peanuts and giving veterans priority for surplus farm lands.

HOUSE

1. **FOREIGN AFFAIRS.** Passed, 272-97, the foreign information and educational exchange bill (pp. 7765-74). For its provisions see Digest 109.

2. **SECOND URGENT DEFICIENCY APPROPRIATION BILL, 1947.** Agreed to the Senate amendments to this bill, H. R. 3791 (pp. 7763-4). This bill will now be sent to the President.

As finally passed, the bill includes the following items: Foot-and-mouth disease campaign, \$1,500,000 additional, fiscal year 1947. Authorizes construction, from 1947 funds, of 4 buildings at the New Iberia Livestock Experiment Station, La., to replace buildings destroyed by storm. Provides that the limitation in the 1947 Agricultural Appropriation Act on the amount to be used for construction of a building for investigations of pneumoencephalitis in poultry be increased from \$30,000 to \$55,000. Ratifies and confirms all obligations incurred between June 30, 1947, and the date of enactment of the applicable appropriation acts as may not be enacted by July 1, 1947, in anticipation of such appropriations and authority if in accordance with the terms thereof. Provides that, where employees are separated through reduction in force during July 1947 and were given separation notices during the fiscal year 1947, the lump-sum terminal-leave payments may be charged against unobligated 1947 appropriations from which such employees were paid. Emergency flood-control work by the War Department, \$12,000,000.

3. **RECONSTRUCTION FINANCE CORPORATION.** Passed, 334-4, H. R. 3916, to continue RFC but limit its powers (pp. 7776-91) as reported. Then passed S. J. Res. 135 with the language of the House bill; the House bill was then laid on the table (pp. 7791-2).

The Senate measure would provide for a simple continuation of RFC until June 30, 1948, by which time a Federal charter must be acted upon pursuant to the Government Corporations Control Act.

The House bill extends RFC through June 30, 1949; reduces its borrowing power to \$2,000,000,000; abolishes the Federal Loan Agency; authorizes RFC to make priority purchases of surplus property for resale to small business; terminates RFC's authority to purchase loans guaranteed under the Servicemen's Readjustment Act; provides for transfer to Treasury of all rights and interests of RFC in loans previously made by RFC for rural rehabilitation, farm tenancy, or rural electrification, and cancellation of Treasury-held RFC notes for such amounts, and prohibits RFC from making such loans in the future. The Committee report says "the committee is in full accord" with the provisions in the agricultural appropriation bill regarding REA loans from RFC.

4. WAR POWERS; CLAIMS. The Judiciary Committee ordered reported* with amendments H. R. 3647, to extend certain powers under the Second War Powers Act (including priorities, allocations, and export controls), and H. R. 3690, to amend the Federal Tort Claims Act to provide for payment of punitive damages in certain cases (p. D430).

*Copies not available until actually reported, when this Digest will carry a note to that effect. (P. S. H.R. 3647 later reported - p. 7795.)

5. ASSISTANT SECRETARY OF COMMERCE. The Interstate and Foreign Commerce Committee reported without amendment H. R. 3855, to provide for an additional Assistant Secretary of Commerce (H. Rept. 642)(p. 7795).
6. FUEL DEMONSTRATION. The Public Lands Committee reported with amendment H. R. 2161, to authorize an increase in appropriations, and extend the time of operation, for demonstration plants to produce synthetic liquid fuels from minerals and agricultural and forestry products (H. Rept. 675)(p. 7795).
7. FORESTS. The Public Lands Committee reported with amendment H. R. 3175, to add certain lands to the Shasta National Forest, Calif. (H. Rept. 680)(p. 7795).
8. APPROPRIATIONS. Received from the President a supplemental appropriation estimate of \$400,000,000 for assistance to Greece and Turkey (H.Doc. 344); \$15,405.4 for War Department claims (H.Doc. 351); \$44,496.30 for judgments rendered against the U.S. by district courts (H.Doc. 352); \$51,447,842.71 for claims allowed by the GAO (H.Doc. 356); \$382,494.38 for judgments rendered by the Court of Claims (H.Doc. 362); various amounts submitted by several U.S. agencies to pay claims for damages to or losses of privately owned property (H.Doc. 357); and a proposed provision relating to judgments rendered against the U.S. (H.Doc. 358). To Appropriations Committee. (p. 7794.)
9. REPORTS. Received the 20th Report of the Office of Price Administration for the period ended Dec. 31, 1946 (H.Doc. 343); and RFC's report of operations for the period Feb. 2, 1932, to Sept. 30, 1946. To Banking and Currency Committee. (p. 7794.)
10. SUGAR. The House Agriculture Committee is considering a "committee print" of a bill which provides as follows: Reenacts the Sugar Act of 1937 with changes; extends the termination date from Dec. 31, 1947, to Dec. 31, 1952, and extends the sugar tax to July 1, 1953. Changes the method of estimating each year the quantity of sugar needed to meet consumer requirements in continental U.S. Establishes quotas for domestic areas in specific amounts and, after apportionment of a quota of 952,000 short tons to the Philippines, apportions the remainder of the consumption estimate to foreign countries. Guarantees for Cuba a minimum quota, after reallocation of deficits, equivalent to the share provided for Cuba in the Act. Authorizes the Secretary to withhold or withdraw any quota increase for any foreign country over that provided for such country under the Act if

S. 1100. An act for the relief of Frankie Stalaker;

S. 1231. An act authorizing and directing the Commissioner of Public Buildings to determine the fair market value of the Fidelity Building in Kansas City, Mo., to receive bids for the purchase thereof, and for other purposes;

S. 1361. An act to amend the United States Housing Act of 1937 so as to permit loans, capital grants, or annual contributions for low-rent housing and slum-clearance projects where construction costs exceed present cost limitations upon condition that local housing agencies pay the difference between cost limitations and the actual construction costs;

S. 1421. An act to provide for the appointment of one additional Assistant Secretary of Commerce, and for other purposes; and

S. J. Res. 135. Joint resolution to extend the succession, lending powers, and the functions of the Reconstruction Finance Corporation.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 3791. An act making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1947, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill and requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BRIDGES, Mr. BROOKS, Mr. GURNEY, Mr. BALL, Mr. MCKELLAR, Mr. HAYDEN, and Mr. TYDINGS to be the conferees on the part of the Senate.

The message also announced that the Senate having proceeded to reconsider the bill (H. R. 3020) an act to prescribe fair and equitable rules of conduct to be observed by labor and management in their relations with one another which affect commerce, to protect the rights of individual workers in their relations with labor organizations whose activities affect commerce, to recognize the paramount public interest in labor disputes affecting commerce that endanger the public health, safety, or welfare, and for other purposes; returned by the President of the United States with his objections, to the House, in which it originated, and passed by the House on reconsideration of the same, it was—

Resolved, That the said bill pass, two-thirds of the Senate having voted in the affirmative.

The message also announced that the Senate insists upon its amendment to the bill (H. R. 2369) entitled "An act providing for the suspension of annual assessment work on mining claims held by location in the Territory of Alaska," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BUTLER, Mr. CORDON, and Mr. HATCH to be the conferees on the part of the Senate.

URGENT DEFICIENCY APPROPRIATIONS, 1947

Mr. TABER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 3791) making appropriations to supply urgent deficiencies in certain appropriations for

the fiscal year ending June 30, 1947, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 3, line 22, after "1948", insert ": *Provided further*, That the amount obligated and expended shall be based on an annual appropriation for the fiscal year 1948 of not to exceed \$18,000,000."

Page 5, strike out all after line 22 over to and including line 8 on page 6.

Page 6, after line 23, insert:

"Control and eradication of foot-and-mouth disease and rinderpest: For an additional amount, fiscal year 1947, to enable the Secretary of Agriculture to control and eradicate foot-and-mouth disease and rinderpest as authorized by the act of February 28, 1947 (Public Law 8), and the act of May 29, 1884, as amended (7 U. S. C. 391; 21 U. S. C. 111-122), including expenses in accordance with section 2 of said Public Law 8, \$1,500,000, to remain available until June 30, 1948."

Page 9, line 3, strike out "\$5,977,000" and insert "\$6,097,000."

Page 9, line 5, after "\$5,972,000", insert "Post-office inspectors, salaries", \$10,000."

Page 9, line 5, after "\$5,972,000", insert "Post-office inspectors, travel and miscellaneous expenses", \$10,000."

Page 9, line 5, after "\$5,972,000", insert "Transportation of equipment and supplies", \$50,000."

Page 9, line 5, after "\$5,972,000", insert "Operating force for public buildings", \$50,000."

Page 10, line 11, strike out "June 30, 1948" and insert "expended."

Page 10, after line 11, insert:

"The funds provided in the preceding paragraph shall be available to an amount not exceeding \$250,000 to take all action necessary to prevent erosion at Anaheim Bay, Surfside, Calif."

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. TABER]?

Mr. CANNON. Mr. Speaker, reserving the right to object, it is my understanding that only four Senate amendments are involved. One eliminating the House provision for sugar rationing; one adding \$1,500,000 for the prosecution of the foot-and-mouth disease eradication campaign in Mexico; some urgent provisions for the Postal Service; and the diversion of a quarter of a million dollars from the \$12,000,000 allowed for flood control for some emergency work in California.

As to the elimination of the money for sugar rationing, it is my understanding this was done by the Senate in response to the recommendation of the Secretary of Agriculture.

Of course, money must be provided for the vigorous prosecution of the campaign against the foot-and-mouth disease, although I think, from evidence adduced from the hearings in both the House and the Senate, we were paying a very high price for some of the stock we were buying for purposes of destruction in the extermination of the disease.

The provision for the Postal Service is routine and urgent, and should be agreed to.

The only item on which there is occasion for question is the diversion of the quarter of a million dollars from the \$12,000,000 allowed for emergency flood

control at this critical time. Regardless of whether the purpose of the diversion is an emergency or not, the amendment, instead of earmarking money already provided for emergency flood control, should have provided for an additional appropriation.

However, I am assured by the gentleman from New York [Mr. TABER], that as the session advances and it becomes evident that additional funds are necessary for this purpose, an opportunity will be afforded to secure a supplementary appropriation for emergency flood control and repair.

Mr. WHITTINGTON. Mr. Speaker, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. What is the amount diverted from the emergency flood-control authorization or appropriation?

Mr. CANNON. We had an authorization of \$15,000,000 for flood control. The bill has just been signed by the President. The House, out of the \$15,000,000 authorization, appropriated \$12,000,000. This amendment is a proposition by the Senate to take \$250,000 of the \$12,000,000 proposed for emergency flood control for use on a river and harbor project on the Pacific coast.

Mr. PHILLIPS of California. Mr. Speaker, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from California.

Mr. PHILLIPS of California. It is not a river and harbor project. Will the gentleman understand that there is only \$250,000 to put that sand quickly into a very extreme emergency. The changing of a jetty changed the beach so that in less than a year the beach is washing out houses which a year ago were 150 feet away from the beach. By putting this in, the work of the engineers then continues for permanent correction. I agree with everything the gentleman from Missouri has said except by calling it a river and harbor project it gives a wrong impression. It is an urgent emergency.

Mr. CANNON. It has been my understanding that this is one of many similar emergency projects on the Atlantic Coast as well as the Pacific Coast none of which was provided for in the original bill.

The \$12,000,000 appropriation is for a pressing emergency. A tide of water is rolling down our rivers engulfing towns and devastating farm lands. The situation demands immediate and urgent attention, and the \$12,000,000 is a minimum amount. The gentleman's amendment should have provided for an additional \$250,000 and not for a reduction in the already inadequate amount provided for the established flood-control program.

Mr. WHITTINGTON. Will the gentleman yield further?

Mr. CANNON. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. Was that provision requiring the expenditure during the current year eliminated in the Senate?

Mr. CANNON. It was. There is now no time limit on the expenditure.

Under the circumstances, Mr. Speaker, and upon the assurance of the gentle-

man from New York [Mr. TABER] that further funds for flood control will be provided if and when needed, I shall not object.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. TABER]?

Mr. RANKIN. Reserving the right to object, Mr. Speaker, I would like to ask some questions about this proposition.

First, does this mean the end of sugar rationing entirely?

Mr. TABER. Not immediately. As I understand it, sugar rationing as to industrial users will continue for a while. However, my opinion is that it will not last very long because with the end of some of these other things, the demand for sugar has gone down.

There were close to a million tons in different parts of the world that became available to the United States, and we are more and more getting to the situation where the Government will need to get rid of sugar instead of trying to ration it.

Mr. RANKIN. What I am interested in is getting rid of the rationing of sugar and stopping the harassing of individuals and small enterprises which have to use sugar. I am just wondering if this bill will terminate sugar rationing entirely.

Mr. TABER. Only insofar as householders are concerned, not insofar as industrial users are concerned. We have not the authority in the Appropriations Committee to terminate it.

Mr. RANKIN. As far as I am concerned I should like to see the burden lifted from the shoulders of these small enterprises that have to use sugar.

Mr. TABER. I think that would be in the public interest.

Mr. RANKIN. When may we expect a step in that direction?

Mr. TABER. We have before us a budget estimate of \$5,000,000 to continue the process of sugar rationing during the next fiscal year. We have been told that no such amount would be needed, but we have not had hearings upon it because we have been told by the Department that they were not prepared to give us an accurate statement of just exactly what the situation was. We expect to hold those hearings in the next few days.

Mr. RANKIN. Further reserving the right to object, I again state to the gentleman that I hope this sugar rationing can be taken off entirely at the earliest date.

Mr. TABER. That is my hope.

Mr. RANKIN. I also wish to ask the gentleman a question about this project the gentleman from California [Mr. PHILLIPS] referred to. Is that money taken out of flood-control funds or is this a special appropriation?

Mr. TABER. It is taken out of the \$12,000,000, but it is only \$250,000.

Mr. PHILLIPS of California. Does the gentleman understand that this is not a regular appropriation?

Mr. RANKIN. I understand that.

Mr. PHILLIPS of California. This is made with the understanding that it will be replaced when needed.

Mr. RANKIN. Let me say to the gentleman from California that I am in favor of developing our internal resources and sending less money to be poured into the sinkholes of Europe.

Mr. CASE of South Dakota. Mr. Speaker, reserving the right to object, I wish to ask the gentleman about this million and a half for the foot-and-mouth-disease campaign in Mexico. It is my understanding that this does not represent the amount of the supplemental budget estimate but that this million and a half dollars is to be provided in order that the program can be carried along until the committee has an opportunity to investigate certain phases that have come to its attention.

Mr. TABER. The situation is that this million and a half applies toward the estimate that was submitted by the budget of \$65,000,000. It is not my intention to bring the matter up on the floor until some people representing our committee and the Committee on Agriculture have had an opportunity to go down there and look the thing over to see what is going on, then come back here and report to us.

Mr. CASE of South Dakota. But this fund will permit the program to be carried along until that investigation is made.

Mr. TABER. There is a small quantity of cattle that have been herded together that were infected and needed to be slaughtered and buried immediately before the rainy season hit that area of Mexico; and the Senate felt after this hearing that it was not safe not to provide the funds.

Mr. CASE of South Dakota. I think that is correct.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. TABER]?

There was no objection.

The Senate amendments were agreed to.

A motion to reconsider was laid on the table.

SPECIAL ORDERS GRANTED

Mr. PHILLIPS of California. Mr. Speaker, I ask unanimous consent that on Thursday next, after disposition of matters on the Speaker's desk and at the conclusion of any special orders heretofore entered, I may be permitted to address the House for 1 hour.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HORAN. Mr. Speaker, I ask unanimous consent that on tomorrow, at the conclusion of all legislative business and after any special orders heretofore entered, I may be permitted to address the House for one-half hour.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

COMMITTEE ON PUBLIC WORKS

Mr. DONDERO. Mr. Speaker, I ask unanimous consent that the Committee on Public Works may have permission to sit during general debate in the House this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. ANGELL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

ADEQUATE RELIEF FOR THE ELDERLY CITIZENS OF OUR COUNTRY

Mr. ANGELL. Mr. Speaker, there are over 10,000,000 elderly people in the United States, many of them in need of the necessities of life, food, clothing, medicine, and shelter. Our Nation, with abundant resources has been niggardly in providing proper relief for our elderly citizens.

There are a number of bills pending in the Congress for this purpose, but thus far no action has been taken thereon. On the opening day of the Congress I introduced H. R. 16, which has for its purpose giving of proper consideration for these old folks. The bill is pending before the Ways and Means Committee. I appeared before the committee on June 16 urging that this or some bill providing help for these old folks be reported out before we adjourn. My statement, together with the names of our colleagues who are sponsoring this legislation, appears in the CONGRESSIONAL RECORD for June 20, on page A3190. As I have set forth in the statement, we have sent abroad for relief and assistance in foreign countries over \$21,000,000,000 since the war ended, and justice demands that while spending billions abroad we make adequate provision for our own citizens here at home. It would seem that our old folks must move to foreign countries to share in old-age benefits from Uncle Sam's Treasury.

As a last resort I have filed today on the Speaker's desk a petition to take H. R. 16 from the committee and place it on the floor for action. This should be done before the Congress adjourns, and I hope all of you who favor adequate relief for the elderly citizens of our country will sign this petition.

CORRECTION OF ROLL CALL

Mr. KEARNEY. Mr. Speaker, in the CONGRESSIONAL RECORD of June 20, on roll call 86, I am recorded as having failed to answer to my name. I was present and answered to my name. I ask unanimous consent that the RECORD be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

CORRECTION OF THE RECORD

Mr. ROONEY. Mr. Speaker, I ask unanimous consent to correct a statement in the Appendix of the RECORD of June 20, page A3230, left hand column, twenty-second line from the bottom, the figure "\$262,000,000" should be "\$262,000."

[PUBLIC LAW 122—80TH CONGRESS]

[CHAPTER 156—1ST SESSION]

[H. R. 3791]

AN ACT

Making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1947, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1947, and for other purposes, namely:

LEGISLATIVE BRANCH

HOUSE OF REPRESENTATIVES

For payment to Marcia Marie Bradley, widow of Fred Bradley, late a Representative from the State of Michigan, \$12,500.

CONTINGENT EXPENSES OF THE HOUSE

Special and select committees: For an additional amount, fiscal year 1947, for "Special and select committees", \$50,000.

Telegraph and telephone: For an additional amount, fiscal year 1947, for "Telegraph and telephone", \$15,000.

GOVERNMENT PRINTING OFFICE

WORKING CAPITAL AND CONGRESSIONAL PRINTING AND BINDING

For an additional amount for "Working capital and congressional printing and binding", fiscal year 1947, \$1,175,000: *Provided*, That the limitation upon the amount which may be expended for printing, binding, and distribution of the Federal Register is hereby increased from "\$500,000" to "\$525,000" and the limitation upon the amount which may be expended for printing and binding the supplements to the Code of Federal Regulations is hereby increased from "\$100,000" to "\$125,000".

OFFICE OF SUPERINTENDENT OF DOCUMENTS

Salaries: For an additional amount, fiscal year 1947, for "Salaries", \$21,500.

THE JUDICIARY

COURT OF CUSTOMS AND PATENT APPEALS

Printing and binding: For an additional amount, fiscal year 1946, for "Printing and binding", \$1,074.07.

MISCELLANEOUS ITEMS OF EXPENSE

Printing and binding: For an additional amount, fiscal year 1946, for "Printing and binding", \$7,050.

Fees of jurors: For an additional amount, fiscal year 1947, for "Fees of jurors", \$30,000.

Printing and binding: For an additional amount, fiscal year 1947, for "Printing and binding", \$23,700.

INDEPENDENT OFFICES

FEDERAL SECURITY AGENCY

BUREAU OF EMPLOYEES' COMPENSATION

Employees' compensation fund: For an additional amount, fiscal year 1947, for "Employees' compensation fund", \$500,000.

OFFICE OF VOCATIONAL REHABILITATION

Such sums as may be necessary are hereby appropriated for making for the first quarter of the fiscal year 1948 payments to States in accordance with the Vocational Rehabilitation Act, as amended (29 U. S. C., ch. 4): *Provided*, That the obligations incurred and expenditures made for such purpose under the authority of this appropriation shall be charged to the appropriation therefor in the Labor-Federal Security Appropriation Act, 1948: *Provided further*, That the amount obligated and expended shall be based on an annual appropriation for the fiscal year 1948 of not to exceed \$18,000,000.

VETERANS' ADMINISTRATION

Administration, medical, hospital, and domiciliary services: For an additional amount, fiscal year 1947, for "Administration, medical, hospital, and domiciliary services", \$28,400,000.

DISTRICT OF COLUMBIA

COMPENSATION AND RETIREMENT FUND EXPENSES

Workmen's compensation, administrative expenses: For an additional amount, fiscal year 1947, for "Workmen's compensation, administrative expenses", \$6,000.

COURTS

United States courts: For an additional amount, fiscal year 1946, for "United States courts", \$140,510.25.

PUBLIC WELFARE

Operating expenses, institutions for the indigent: For an additional amount, fiscal year 1947, for "Operating expenses, institutions for the indigent", \$6,000.

PUBLIC WORKS

Operating expenses, Office of Superintendent of District Buildings: For an additional amount, fiscal year 1947, for "Operating expenses, Office of Superintendent of District Buildings", \$29,500.

JUDGMENTS

For the payment of final judgments, including costs rendered against the District of Columbia, as set forth in House Document Numbered 296, together with such further sums as may be necessary to pay the interest at not exceeding 4 per centum per annum on such judgments, as provided by law, from the date the same became due until the date of payment, \$2,364.89.

AUDITED CLAIMS

For the payment of the following claims, certified to be due by the accounting officers of the District of Columbia, under the appropriations listed below, the balances of which have been exhausted or carried to the surplus fund under the provisions of section 5 of the Act of June 20, 1874 (31 U. S. C. 713), being for the service of the fiscal year 1943 and prior fiscal years, as follows:

Refund of erroneous collections, District of Columbia, 1942, \$117.49;
 Refund of erroneous collections, District of Columbia, 1943, \$6,211.29;

Street improvements, highway fund, District of Columbia, 1942 (payable from highway fund), \$34,078.14.

DIVISION OF EXPENSES

The sums appropriated in this Act for the District of Columbia shall, unless otherwise specifically provided, be paid out of the general fund of the District of Columbia, as defined in the District of Columbia Appropriation Act, 1947.

DEPARTMENT OF AGRICULTURE

AGRICULTURAL RESEARCH ADMINISTRATION

REPAIR OF STORM DAMAGE, JEANERETTE, LOUISIANA

The limitation under the head "Agricultural Research Administration, Office of the Administrator", in the 1947 Department of Agriculture Appropriation Act on the cost of constructing buildings shall not apply to the construction of four buildings at the New Iberia Livestock Experiment Station, Jeanerette, Louisiana, to replace buildings destroyed by windstorm.

BUREAU OF ANIMAL INDUSTRY

Diseases of animals: The limitation under this head in the Department of Agriculture Appropriation Act, 1947, on the amount which may be used for construction of a building for conducting investigations of pneumoencephalitis in poultry is hereby increased from "\$30,000" to "\$55,000".

Control and eradication of foot-and-mouth disease and rinderpest: For an additional amount, fiscal year 1947, to enable the Secretary of Agriculture to control and eradicate foot-and-mouth disease and rinderpest as authorized by the Act of February 28, 1947 (Public Law 8), and the Act of May 29, 1884, as amended (7 U. S. C. 391;

21 U. S. C. 111-122), including expenses in accordance with section 2 of said Public Law 8, \$1,500,000, to remain available until June 30, 1948.

DEPARTMENT OF JUSTICE

LEGAL ACTIVITIES AND GENERAL ADMINISTRATION

Traveling expenses: For an additional amount, fiscal year 1942, for "Traveling expenses", \$14.04.

Salaries and expenses, Lands Division: For an additional amount, fiscal year 1942, for "Salaries and expenses, Lands Division", \$137.70.

There is hereby transferred the sum of \$5,000 from the appropriation "Traveling expenses, Department of Justice, 1947", to the appropriation "Examination of judicial offices, 1947".

Printing and binding: For an additional amount, fiscal year 1946, for "Printing and binding", \$65,000.

Miscellaneous salaries and expenses, field: For an additional amount, fiscal year 1946, for "Miscellaneous salaries and expenses, field", \$20,000.

Salaries and expenses of marshals, and so forth: For an additional amount, fiscal year 1946, for "Salaries and expenses of marshals, and so forth", \$10,000.

Contingent expenses: For an additional amount, fiscal year 1947, for "Contingent expenses", \$10,000.

Printing and binding: For an additional amount, fiscal year 1947, for "Printing and binding", \$80,000.

Miscellaneous salaries and expenses, field: For an additional amount, fiscal year 1947, for "Miscellaneous salaries and expenses, field", \$29,500.

Salaries and expenses of marshals, and so forth: For an additional amount, fiscal year 1947, for "Salaries and expenses of marshals, and so forth", \$140,000.

Fees of witnesses: The limitation on the amount which may be expended for compensation and expenses of witnesses or informants as may be authorized or approved by the Attorney General, fiscal year 1947, is hereby increased from "\$25,000" to "\$50,000".

IMMIGRATION AND NATURALIZATION SERVICE

Salaries and expenses, Immigration and Naturalization Service: For an additional amount, fiscal year 1947, for "Salaries and expenses, Immigration and Naturalization Service", \$400,000.

POST OFFICE DEPARTMENT

(Out of the Postal Revenues)

FIELD SERVICE, POST OFFICE DEPARTMENT

OFFICE OF THE SECOND ASSISTANT POSTMASTER GENERAL

Foreign air-mail transportation: For an additional amount, fiscal year 1945, for "Foreign air-mail transportation", \$3,919,000.

Foreign air-mail transportation: For an additional amount, fiscal year 1946, for "Foreign air-mail transportation", \$8,196,000.

Foreign air-mail transportation: For an additional amount, fiscal year 1947, for "Foreign air-mail transportation", \$21,262,000, of which \$6,097,000 is to be transferred in the following respective amounts from the appropriations "Domestic Air Mail Service", \$5,972,000, "Post-office inspectors, salaries", \$10,000, "Post-office inspectors, travel and miscellaneous expenses", \$10,000, "Transportation of equipment and supplies", \$50,000, "Operating force for public buildings", \$50,000, and "Electric-car service", \$5,000.

TREASURY DEPARTMENT

OFFICE OF THE SECRETARY

Penalty-mail costs: For an additional amount, fiscal year 1947, for "Penalty-mail costs", Treasury Department, \$225,000.

FISCAL SERVICE

Emergency relief, liquidation fund: Title II of the Urgent Deficiency Appropriation Act, 1947 (Public Law 20), is amended by deleting the figures "\$1,280,000" following the words "Bureau of Accounts: Emergency relief, liquidation fund", and inserting in lieu thereof the figures "\$1,243,555.94".

BUREAU OF INTERNAL REVENUE

Salaries and expenses: The limitation under "Salaries and expenses", Bureau of Internal Revenue, on the amount which may be expended for printing and binding, fiscal year 1947, is hereby increased from "\$2,200,000" to "\$2,390,000".

SECRET SERVICE DIVISION

Reimbursement to District of Columbia, benefit payments to White House Police and Secret Service forces: For an additional amount, fiscal year 1947, for "Reimbursement to District of Columbia, benefit payments to White House Police and Secret Service forces", \$16,000.

WAR DEPARTMENT

Emergency Flood Control Work, \$12,000,000, to be expended in accord with the provisions of the bill, H. R. 3792, Eightieth Congress, if and when such bill is enacted into law, and to remain available until expended.

The funds provided in the preceding paragraph shall be available to an amount not exceeding \$250,000 to take all action necessary to prevent erosion at Anaheim Bay, Surfside, California.

GENERAL PROVISIONS

SEC. 102. The appropriations and authority with respect to appropriations contained in (1) any regular annual appropriation Act for the fiscal year 1948, or (2) contained in other than a regular annual appropriation Act for the fiscal year 1948, and being for such fiscal year, or (3) contained in other than a regular annual appropriation Act for the fiscal year 1948, and being supplemental to an existing

appropriation and for obligation after June 30, 1947, such Acts not being laws on July 1, 1947, shall be available from and including July 1, 1947, for the purposes respectively provided in such appropriations and authority. All obligations incurred during the period between June 30, 1947, and the date of enactment of such appropriation Acts as may not have been enacted on or before July 1, 1947, in anticipation of such appropriations and authority are hereby ratified and confirmed if in accordance with the terms thereof.

SEC. 103. When employees are separated from the service during July 1947 by reason of a reduction-in-force and have been given notice of such separation during the fiscal year 1947, lump-sum payments for accumulated leave may be charged against unobligated balances of the 1947 appropriations from which such employees were paid: *Provided*, That subparagraphs (A) and (B) of paragraph (1) of section 14 (a) of the Federal Employees Pay Act of 1946 (Public Law 390) shall not apply to such employees.

SEC. 104. No part of any appropriation contained in this Act shall be used to pay the salary or wages of any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided*, That for the purposes hereof an affidavit shall be considered prima facie evidence that the person making the affidavit has not contrary to the provisions of this section engaged in a strike against the Government of the United States, is not a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or that such person does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided further*, That any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence and accepts employment the salary or wages for which are paid from any appropriation contained in this Act shall be guilty of a felony and, upon conviction, shall be fined not more than \$1,000 or imprisoned for not more than one year, or both: *Provided further*, That the above penalty clause shall be in addition to, and not in substitution for, any other provisions of existing law.

SEC. 105. This Act may be cited as the "Second Urgent Deficiency Appropriation Act, 1947".

Approved June 27, 1947.

